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SOCIAL

CZECHOSLOVAKIA

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CZECHOSLOVAKIA

State's Church Policy Analyzed, Explained

24000178 Prague NOVA MYSL in Czech
No 7-8, 1989 pp 55-65

[Article by Vladimir Janku, chairman, Office for Church Affairs: "The Czechoslovak Socialist Republic and Churches"]

[Text] The question of the activity of churches as well as of the rights and opportunities open to believers in the CSSR has recently become a subject of special attention in our country and particularly abroad. This interest has certain objective reasons. The logic of this issue stems from the fact that under the conditions of restructuring and of an extensive process aimed at intensified socialist democracy, our religious fellow citizens are more openly affirming their faith, and the churches also expressing their standpoints in a more direct manner. On the whole, this is a natural phenomenon which should hardly surprise anyone.

Of course, the "attention" paid by some circles and communications media to problems of the CSSR church policies stems from entirely different interests. We shall return to that issue later.

Religious influence, activities of churches and their attitudes toward state are very closely connected with historical circumstances. Their exhaustive analysis would be far too long and exceed the limits of this article. Let us therefore review only some of the key moments.

As is well known, the very arrival of Christianity on the territory of our country was closely related to the development of our nation and state. The penetration of Christianity from the West, connected with increasing pressures of power politics and ambitions of the kingdom of East Franconia were sources of considerable anxiety for the leaders of Great Moravia. That was the reason that Prince Rastislav, having unsuccessfully attempted to approach the pope, turned east to Byzantium. The mission conducted by Cyril and Methodius was at the same time an act of highly political considerations. Already there appeared a clear distinction between the role of religion, which was intertwined with national interests, and its abuse for political aims of hostile foreigners.

However, let us skip a few centuries. Bohemia was the country of the first religious reformation which the church circles frequently characterize as a "radical reformation." It gave rise to a great amount of ideas and stimuli, many of them with very significant social contents and impact. Nevertheless, one thing in particular should be emphasized in this conjunction—namely, the fact that on the basis of the Reformation, Bohemia was the first country in Europe and obviously, in the world, where the coexistence of various religions was stipulated

by a law (at the congress in Caslav in 1421). We are proud of this historical act which we still honor even at present.

It is hardly a paradoxical historical coincidence that at the same time it was the fate of Bohemia to serve as a graphic example and to be subjected to harsh, militant religious intolerance. Crusades organized with the highest blessings of the church included armies from most parts of Europe whose task was to crush the heretical Czechs. To be sure, the tone of such appeals still frequently sounds in hostile expressions of anti-Czechoslovak propaganda.

It is generally known that the Counter-Reformation was marked by two inseparable aspects—re-Catholicization and Germanization—and that their implementation was not at all limited to "ideological means"; it was introduced with blood and iron, as many documentary works of our literature testify. It was during that particular era that people often suffered torture and execution for no other reason than keeping in their homes their most treasured possession—a Bible in their mother tongue. With respect and admiration our history notes that even during the times of the cruelest violence, among the ranks of Catholic clergy as well as some prominent church leaders were the shining figures of patriots who lived with the people and helped them defend and preserve their own mother tongue against the threat of its extinction.

Three centuries of "darkness," as that period was called by Alois Jirasek, ended in 1918 with the foundation of the independent state of the Czechs and Slovaks—the Czechoslovak Republic. It is a small wonder that the patriotic emotions which marked its foundation on 28 October 1918 were also accompanied by slogans (frequently attributed to T.G. Masaryk): "Away from Vienna! Away from Rome!"

T.G. Masaryk's attitude was influenced by the Washington Declaration which demanded, among other things, the separation of the church from the state. Masaryk promoted it as an indivisible part of the effort to put an end to the legacy of the Austro-Hungarian oppression which had been abetted by Rome. The demand that the church be separated from the state therefore demonstrated an anticlericalist and at the same time, anti-Roman character. Masaryk struggled very vehemently for its legalization, but the Roman Catholic church at that time categorically rejected it both directly and through the deputies of the People's Party in the National Assembly. At the end it was declared that the requirements of separation would be difficult to implement in the Czechoslovak conditions both in legal and material terms and on the basis of the historically developed correlations and connections.

It is a well known fact that, effective diplomatic relations notwithstanding, the ruling Czech nationalist bourgeoisie was continuously engaged in conflicts with the Vatican. When in 1925 a banner with the Hussite chalice

waved also atop the Prague castle and the President and his government participated in the celebrations of the anniversary of John Huss' death, the Vatican sharply protested and pointedly recalled the papal legate from Prague.

It was only on 17 December 1927 that after lengthy negotiations the government of Czechoslovakia and the Vatican concluded an accord on a *modus vivendi* which they ratified on 2 February 1928. It contained a number of stipulations which are remarkable even from our current point of view, above all, the agreement on the conformity of the church and the state borders. However, this stipulated was not actually implemented until 1937 when immediately following the Munich agreement and the breakup of Czechoslovakia, the borders had to be adapted to the new, forcibly imposed conditions. Part of the *modus vivendi* accord included also a stipulation obligation the Vatican to submit to the Czechoslovak government the names of the nominees for bishops' offices so that the government be able to confirm that there exist no political objections against a particular individual (especially in terms of subversion, compliance with the Constitution and public order). It was the duty of every newly approved bishop to pledge allegiance and, as in our current practice, to promise to avoid doing anything that could to jeopardize the welfare, security and integrity of the state.

Despite the abundance of extensive and vivid lessons from our history, Rome did not hesitate to accept the breakup of the Czechoslovak Republic and the creation of the Slovak puppet clerico-fascist state which, alas, enjoyed the blessings of Rome. It is well known that the Slovak people, including the masses of Roman Catholic believers, unambiguously reacted to that development by their participation in the Slovak National Uprising. Paradoxically, as late as this year in the first 1989 issue of *SLOVENSKÉ LISTY* published in Rome one Mikulas Hatiar asked how was it possible that the people had risen against their own state. The answer is simple: because they did not consider it their state, but regarded it as a puppet state in the services of a foreign, hostile, fascist power.

If there is a question about the idea which constitutes the basis for the determination of the relations of the Communist Party toward believers and churches, then the answer is that it is undoubtedly Lenin's premise that the unity of the revolutionary struggle for the creation of "a paradise on earth" is far more important for the Communists than the unity of views among the proletarians about the "paradise on earth." Lenin categorically demanded that Marxists vehemently fight against everything that would divide workers in their struggle for their rights into atheists and Christians. Proceeding from this idea, in their political programs the Communists never divided masses of working people into the believers and those without religious affiliation. Naturally, the Communists had to confront clericalist forces who tried to exploit the faith and religion as a political instrument in

their fight against progress. They had to unmask representatives of clericalism who "in the name of god" attempted to conceal their reactionary political interests and to stop social progress and the working people's struggle for their rights.

From the inception of its struggle against capitalism and later against fascism, for freedom and socialism, the Communist Party of Czechoslovakia never restricted its political program exclusively to atheists or individuals without religious affiliation, but regarded it as a program embracing also all believers who joined the side of the people and workers' interests. At the beginning of 1945 our party emphasized that religious convictions of every citizen must be respected, that there can be no interference in religious affairs, and moreover, that it was necessary to cooperate with democratic church leaders.

A new chapter in our development began in February 1948. Face to face with attacks and slanders by our domestic as well as foreign reactionary forces, the central action committee of the National Front issued a proclamation on the freedom of religious conviction and persuasion. Let us mention an almost forgotten event. At that time the representatives of clericalism, especially various foreign reactionary circles, tried to spearhead a campaign with allegations that the Communists planned to destroy the Roman Catholic Church. And at that same time a remarkable event took place. According to a tradition, a solemn mass, *Te Deum*—Thee, God (we praise)—was celebrated in St Vitus Cathedral for every new head of our state. In the bourgeois republic, neither Masaryk nor Benes attended that mass, however, Klement Gottwald did attend, naturally, not because he wanted to pose as a Catholic, but to disprove in the most convincing way all rumors about the Communists. Our party was interested above all in not forcing the believers to choose between their religion and the power of the working people. At the same time, this meant that it magnanimously offered its hand to the Roman Catholic Church. However, the foreign center responded with the harshest antisocialist policy. The hierarchy was ordered to follow the course of confrontation with the people's democratic power. In June 1948 the Vatican broke off negotiations with our state and the following year it declared that all those who so much as cooperated with our socialist state, contributed to Communist publications, distributed or only read them were excommunicated.

As for other churches, no serious problems occurred, except for those caused by some individuals. Many churches accepted socialism as a new, socially just public system worthy of their support. After all, it was only in socialism that a considerable part of non-Catholic for the first time achieved genuine equality.

The clericalist circles launched an open struggle against our new socialist state. The socialist state had to adopt certain policies to defend the achievements of the revolution and to protect socialism and the interests of our working people. Above all, it was unavoidable to take

steps to counteract harmful influences from abroad, to stop the use of the church as a political platform of the opposition, and to render assistance to Roman Catholic priests whose orientation was correct.

At that time specific principles were articulated as the basis for the policy of our young socialist state as regards its relation to churches. They were formulated under the direct guidance of Klement Gottwald. We may summarize them as two basic principles, each with two dialectically contradictory aspects.

The first principle is the requirement to protect socialism, to prevent any violation of its supreme interests by misuse of churches for political purposes, and to halt all foreign interference in internal affairs of our young socialist state. Under the conditions of open attacks at that time this principle required also the adoption of several political and administrative measures, including laws. By the same token, another aspect of that principle was the necessity to give full support to all those clergymen who demonstrated a loyal attitude toward our state, who understood that social changes were inevitable, and who at the same time actively supported the peace efforts of socialist countries in the world. The clergymen who rejected foreign attacks against their country were in considerable majority; they were the ones who joined the Peace Movement of Catholic Clergy organized in the early 1950s with a focus on patriotic attitudes toward our socialist state as well as on active work for peace. The other principle is based on the state's revolutionary economic policies. Enormous holdings of the church, especially lands, obtained in the Middle Ages had been appropriated already during the Austro-Hungarian era, particularly during the reign of Emperor Joseph II, and then by the bourgeois [Czechoslovak] republic; it is easy to understand that they were affected also by the nationalization policies of our people's democratic state. Here it should be noted that Czechoslovakia (unlike, for example, the USSR) never any nationalized church or parish buildings, in other words, buildings used directly for the purposes of worship. However, it is understandable that economic policies applied also to the landed estates owned by the church. Let us remember that the acreage of farm lands belonging to the church still exceeded over one-half of a million hectares. The Vatican internunciature submitted several protests against the expropriation of the church's extensive landed properties as well as against the implementation of the law on revision of land reforms.

Motivated by the principle of equality before the law, our people's democratic state had to reject such pressures, but by the same token, it realized that the church used such properties to finance its activities, and therefore, it took upon itself to provide for all economic needs for operations of churches. Thus, although the clergymen in Czechoslovakia are employees of their churches, they are receiving from the state regular salaries, social security benefits, old-age or disability pensions, and health

care, including treatment in health resorts, free of charge. The state covers most of the costs of repairs of church buildings, etc.

If now, after forty years, we assess the basic approach of our young socialist state to church policies, we can make hardly any substantive changes in them. Their principles not only corresponded with the situation at that particular time, but in their entirety they objectively reflected the needs of principles and constructive policies toward churches on the part of our socialist state led by the Communist Party.

Does this mean that no errors have been committed? Of course, such a conclusion would be incorrect. Errors occurred in approximately three directions:

At the time of serious violations of our laws and of illegal persecution of some political representatives, including many prominent party members, not only Communists but also other citizens, including some church leaders, became victims of miscarriages of laws. Here it should be added that clergymen involved in illegal activities against their state, including those directly engaged in espionage for foreign services were rightfully punished. Where the law was violated, the individuals in question have already been rehabilitated.

Another case concerns the gradually increasing errors in the actual implementation of the above-mentioned principles of church policies enacted by our socialist state. For example, at the time of an open conflict with reactionary church representatives, the law stipulated a warranted principle that the state oversee church activities. This supervision was supposed to prevent the churches from being exploited for antisocialist political aims; however, occasionally it turned into a kind of guardianship which made decisions in behalf of the churches. In other words, there were actual attempts made to demand no responsibility from church leaders and to prevent their positions from being used for antistate and antisocialist political activities, but basically to deprive them of such responsibilities and to make for them decisions on many issues. We have encountered such errors for quite a long time and are still occasionally encountering them.

The third error stems from certain incorrect or inaccurate theoretical conclusions which appeared not only in the CSSR but also in other socialist countries. Some theoreticians proceeded from the premise that in the conditions of the building of socialism religion would rapidly lose its influence on people's minds, and therefore, that the question of the activity of churches in society is basically of ephemeral importance. In a situation where in general authoritative methods of administration prevailed, appropriate ideological methods of work were often replaced even in this area by authoritarian methods.

Religion has its historical, class, social, intellectual, and psychological roots. For many centuries the exploiting classes used it as a device to "sanctify" oppression and

wars; however, the socialist revolutionary changes broke down such associations and overcame the roots of religion growing out from class oppression, subjugation of the working classes, and cunning manipulation of faith as an instrument of power. Of course, they could not "abolish" other sources and mainsprings of religious faith which survive even in socialism. Thus, even in socialism religion still remains an objectively existing social phenomenon.

After a period of increased hostility, especially during the early 1950s, the relations between the state and the churches, including the Roman Catholic church, were gradually normalized. The believers actively participated in the building of socialism and the number of clergymen who either supported our new system or who at least adopted a loyal attitude toward it was also increasing.

It was no coincidence that a new conflict took place during the sociopolitical crisis in 1968. The clericalist forces broke apart the Peace Movement of Catholic Clergy and established the so-called Work of Post-Council Renewal as an organization which placed all its bets on blatant political clericalism aimed against our socialist society and against our socialist state.

Once the crisis was overcome, normal relations between the church and the state were gradually restored and in 1973 important principles were formulated for long-range programs of church policies. Major successes achieved by the CSSR particularly in the first half of the 1970s are also reflected in our church-state relations. The "Pacem in Terris" association was organized among the ranks of Roman Catholic clergy.

Before we approach the problems in the current development of those relations, at least some data about the actual situation in the CSSR should be mentioned.

As known, religiosity in the CSSR differs greatly mainly for historical reasons. The areas in the north, west, and to some extent, also in central Bohemia show one of the lowest rate of religious affiliation in Europe and possibly in the world. On the other hand, Slovakia, particularly its eastern part, is one of the areas with high or very high religiosity. Naturally, it is a question of definition who is and who is not a believer. Among the individuals who declared their religious affiliation are persons of strong, deep faith, as well as indifferent persons and also those for whom religious affiliation is nothing more than a formality. On the whole, about 20 churches and religious associations are currently legally functioning in the CSSR, the largest of them by far the Roman Catholic Church. As for the others, relatively numerous are mainly the Czechoslovak Hussite Church, the Evangelical Church of Czech Brethren, and the Slovak Evangelical Lutheran Church. The rest are medium-sized or small.

Churches and religious associations in the CSSR published in the past, and are publishing at present, their

periodicals—weeklies, biweeklies, monthlies, quarterlies, and various bulletins. In all, the churches publish 33 various periodicals, of which KATOLICKE NOVINY [Catholic News] appear both in the CSR and in the SSR in a total printing of about 230,000 copies.

Future priests in the CSSR received their training in 6 theological seminaries on the college level. Two of them are Roman Catholic—one in Litomerice and one in Bratislava. The Huss Theological Seminary and the Comenius Evangelical Theological Seminary are located in Prague. The Slovak Evangelical Lutheran Church has its seminary in Bratislava and the Orthodox Church in Presov. At present, a total of more than one thousand students, 650 of them Catholics, are attending theological schools (almost three times as many as in 1983-84). In the CSSR there are about 8,000 churches, more than 5,500 of them Roman Catholic. The number of clergy exceed 4,000, 3,000 of whom are Roman Catholic. In addition, more than 1,200 laymen work in various denominations, especially those that do not have the institution of professional clergy. Furthermore, more than 500 members of various female religious orders and congregations are active in the Roman Catholic Church, working in the church's charitable homes and institutions (retirement homes for elderly priests), manufacturing religious artifacts, and so on. In addition, some nuns are employed in state institutions of social care and in theological seminaries, or serving bishops and other members of the hierarchy.

In 1985 the leading authorities of our state analyzed the situation in the area of religion and churches in depth, proceeding from the ascertained fact that in their crushing majority, our believing citizens have assumed a positive attitude toward our socialist state and actively participated in the building of socialism. Furthermore, facts confirm that a great majority of clergymen also have adopted a positive or at least, loyal attitude toward our socialist society and our state.

Important political conclusions were drawn from such facts. If in the 1950s the fulcrum of our state's attitude toward churches was in the control of their activity, lest they be misused for political purposes against our state, then at present it appears both necessary and desirable to shift the fulcrum of state policies to daily contacts with clergymen and to engage them in a dialogue.

These conclusions gained even more momentum in conjunction with the decision about focusing our society on the processes of restructuring and intensification of socialist democracy. Under the conditions of this complex and controversial process, the same general principles apply for correct attitudes of the state towards believers and churches as for all other areas.

In the first place, that attitude must be based on the principles of socialism as a new, qualitatively higher social order. At the same time, it demands, on the one hand, rejection of various dogmatic attitudes which prevent our advancement and stymie the process of

restructuring, and on the other hand, rejection of various liberal tendencies, distortions, or abandonment of the very essence of the socialist social system.

By the same token, in practical politics the restructuring makes it imperative to stand strictly on the foundation of reality, and not to build on illusions or "wishful thinking." It calls for a thorough break with solutions or dogmas of the past, based on voluntarism and detached from realities of life.

The existence and position of religion and churches in our society are a fact of life. Believers represented in the past, represent now, and will represent in the future a significant part of the population of our state. Our whole experience proves that it would be completely without any scientific basis to expect any radical changes in this situation.

An essential question for every policy arises: With whom and against whom? For what and against what? Only a political ignoramus could think that the policy of restructuring could be aimed against believers. Believers constitute an inseparable, full-fledged part of our country's population. The process of restructuring also includes and protects their interests and needs; the restructuring is a program implemented jointly with them and for them. Of course, this presupposes and demands not only proclamations but also considerations and satisfaction of their real needs.

The constitution of the CSSR guarantees freedom of confession. Every individual may profess any religious faith or be without any religious affiliation; he may perform religious rites, so long as it does not contradict the law. Occasionally one hears a question: "What is the purpose of this restriction?" Certain phenomena which occurred under the guise of religion in various countries in recent years are completely impermissible in Czechoslovakia. For instance, in the USA the so-called TV evangelists are preaching the ideology of a nuclear Armageddon—the idea that a nuclear war is inevitable and even desirable. There are frequent instances of militant religious intolerance demonstrated in particular by various sects.

As confirmed, mutual tolerance among believers of various communities and among believers and atheists has old and truly national and progressive traditions in our history. Important is our democratic principle of citizens' equality before law as well as the ban on discrimination, either because of religious faith or by its representatives (after all, the latter often prevailed in history). The policy of the socialist state fully guarantees this equality, and any instances of its violation are in complete contradiction to it. The governmental decision to abolish the registration of religious confession, which has been in force for the past 35 years, makes religious faith a completely private affairs of every citizen in his relation with the state.

The believers' inalienable rights include the right to attend religious services or other traditional religious

rites or meetings. Naturally, here again the demand that our laws and social order be respected fully applies; they must not be misused for purposes that have nothing in common with religious worship. The believers' rights include the opportunity to pursue appropriate religious study and an access to the necessary religious literature. In this context it should be noted that much has been done in this respect particularly in recent years, but obviously, the believers have a good reason to complain that thus far, their actual needs have not been fully satisfied. An objective problem here is the sorry state of our printing industry and thus, it will take still more time to overcome its shortcomings.

If we mention the rights of our believers, we should include the right to organize appropriate church or religious societies which, as defined by the final document of the Vienna follow-up meeting, have their established status within the constitutional framework of each individual state. Again, it would be quite nonsensical and profoundly harmful to regard the process of restructuring as a policy aimed against churches. The churches have now—and will have in the future—their lawful, legally guaranteed place in our society whose integral part they constitute. Our socialist state respects the specific theological character of churches and religious societies, their internal structure and hierarchical system. Naturally, in agreement with the CSSR laws and with the Helsinki and Vienna principles, where the church is connected with international structures (in other words, those operating outside the state's constitutional framework), its activities in the CSSR are subject to the approval by the state or to its transfer to our jurisdiction.

We often hear questions about the legal system of policies on religious freedom and church-state relations. A new constitution of the CSSR which is now being drafted will also extensively revise our entire legal code. It is obvious that this applies to the above-mentioned issues of religious freedom and the status of churches and religious societies, as required by the further development of our society, the process of restructuring and democratization, and the principle of a lawful state. Legal regulations in this area must simply conform with the development of our socialist society and quite comprehensibly, also with international obligations adopted and implemented by the CSSR.

Therefore, in the given situation the answer to the question "With whom and for what" is clear: for a comprehensive further development of our socialist society, with full respect for religious freedom, and thus, together with believers and with churches.

However, what is the answer to the second part of the question posed above: "Against whom and against what?" The reply is simple: against those tendencies and those forces that are not interested in faith and religion, but in exploiting them for antisocialist political purposes. Such interests not only contradict the prospects for the future development of our socialist society and

the process of restructuring, but by the same token, also the genuine interests of the believers.

The proponents of such intentions proceed from the impression that religious faith and churches are a foreign element in the socialist society, and therefore, that they are eminently preordained to serve as instruments for its destabilization. Enormous funds have been spent for intentions based in their full scope on the old, contentious way of thinking; these funds are used to pay for mass propaganda of this sort and also to influence and reward people both abroad and in our country.

In recent years the propaganda offensive by foreign radio stations broadcasting to the CSSR has been considerably stepped up. Every radio station of that particular stripe—from a whole gamut of them we should mention here, above all Radio Free Europe and Voice of America—has its experts who manipulate religion and churches precisely to antisocialist political ends. Every day those channels spout great torrents of slander and attacks against the CSSR, which they focus entirely on maintaining and strengthening the “image of the enemy.”

Such campaigns in the West follow two basic purposes: on the one hand, to present the people in the capitalist, and if possible, also in the developing countries a picture of Czechoslovakia as a country where people are persecuted for their religious faith, where all forms of religious expression are suppressed, and so on; at the same time, efforts are underway to use methodically mass propaganda based on fabrications or systematic distortions of facts to influence the believers in the CSSR and to agitate them against our socialist society.

Those factions in our country that act (often for generous rewards) mostly as extended arms of international forces include above all the so called illegal structures. A question is frequently asked, who in fact they are and what do they want. Their strength is in certain lay groups, particularly among the adherents of the so called Charter 77. Here and there, they are joined by some members of clergy who regard the churches not as institutions whose purpose is to satisfy the religious needs of the believers, but rather as an instrument of destructive policies.

The program of the illegal structures was most explicitly articulated in a document compiled in the autumn of 1985 and based on the demand to “lift up not Christ's cross but a sword,” in other words, do not follow faith but turn in the direction toward violent confrontations. The fundamental methods of these illegal structures include organization of moral terror and not infrequently, also threats of physical terror against the loyal clergymen and representatives of our state. The main target of the illegal structures is neither religion nor a dialogue with the state, but rather a struggle against our socialist state, against our society, against the vital interests of our people.

The illegal structures follow two directions, primarily in the propaganda sector, where with the aid of smuggled technology they print and disseminate writings attacking our socialist society and our state under the guise of religious topics. In addition, they are trying to use religious rites and celebrations and give them a political character aimed again against our society and our state.

The programs of foreign centers and of illegal structures are strictly coordinated and very tightly intertwined. Domestic actions are inspired and orchestrated from abroad and simultaneously, advertised and organized by foreign radio stations.

Our state is interested in good, correct and constructive relations with all churches active on our territory. Our state submitted to all churches a proposal for an objective solution of existing problems by an open and constructive dialogue. Wherever there are festering problems either from the past or present, it is necessary to sit together at a table, discuss such matters frankly, and find a solution that will correspond with the interests of our entire society and of all our people as well as with the needs and interests of the church and above all, of the believers. It may be correctly stated that the representatives of every church accepted the proposal made by our state. The overwhelming majority of the Roman Catholic Church officials also expressed their approval with proceedings that will help satisfy real needs of the believers and of churches, and agreed to strive for gradual improvement of mutual relations. Only some individuals either keep their distance from this joint platform or adopted some kind of two-faced policies where outwardly they agree with the dialogue, but in reality they are playing up to the illegal structures and their interest in confrontations.

Our society wants the broadest masses of the believers to participate as much as possible in the implementation of the process of restructuring, and also it wants the church leaders to understand the essence of that process and to adopt its basic aims. The representatives of churches often emphasize that the characteristics of the process of restructuring are quite acceptable to them also from the theological point of view—the focus on social issues and on the matters of ethics, development and intensification of spiritual life, etc. Occasionally they note: “We may have a different ideological point of departure but these objectives are close to our hearts and we can accept them.” Therefore, our society wants the church leaders to find their own theologically based approach to the goals of the restructuring and in this way, to recommend them also in relation to their congregations.

In the West we still can frequently encounter the view regarding some churches as well as religion itself as a foreign element in socialism. This fosters illusions that it may be possible and actually even expedient to use churches in efforts to destabilize socialism and to fight against it. Such views do not agree with the facts of life. Believers lived in the past and will live in the future in our socialist society. They regard the CSSR as their own

country, and it is in the interest of our republic that they remain its good, loyal citizens. Of course, there is no ready-made or prefabricated model for mutual relations between our socialist state and churches. As everything in life, such relations are developed in accordance with the development and progress of society itself. It is in our mutual interest to build them not on the foundations of confrontations but on the foundations of joint service to people's welfare.

Interest in Material Things Ascribed to Shortages

90EC0056A Bratislava NOVE SLOVO in Slovak
5 Oct 89 p 1

[Editorial by V.A. Daniel: "Trial—But by What?"]

[Text] I remember that a couple of years ago some of our aesthetic souls wanted to initiate a major discussion on the topic of trial by abundance. They wrote that as a nation, we had honorably overcome difficult obstacles, but lately a "disease of affluence" had begun to endanger our national health; that material possessions and property no longer were our servants but had turned into our masters and enslaved us, and that this seriously impaired our moral attitudes. People began to regard their fellow men as their rivals who schemed to get ahead of them in line or at least to keep more irons in the fire than they had. No longer would friends meet for the sole purpose of being together, but rather for "maintaining contacts" in case they might need some favor from the other person. The conclusion more or less followed these lines: many tribulations in our life stem from our "greedy craving for possessions" and that in our nation there are many people who simply "are neither psychologically nor morally prepared for a life of abundance." It is no problem to maintain and promote the growth of this abundance—the problem is to ensure that people be psychologically and morally prepared for it...

I also recall that this discussion was not destined to continue for a long time. From a generally lukewarm reaction to it I remember best of all one young colleague of mine, who would ask me over and over what in fact were those people talking about. I should not be surprised at him because at that time he had a baby, his wife was on maternity leave, and he was earning entry-level wages. For him the polemics about the "trial by abundance" must have been a bit incomprehensible.

I mention this particular story mainly because I think that in a way it proves that not only times have changed but that we are changing as well—some of us more so and some less. I can imagine the hue and cry that those "aesthetic souls" would raise only recently at such events as the auction for one hundred thousand in Slusovice or for many thousands in Bratislava. What lamentations would have been written and pronounced about the "greedy cravings," about our "slavery to material possessions," and so on. Today such possessions are discussed as a matter of fact.

I am gratified that so far I have not met anyone who would seriously try to enlighten people about the "many nonessential things in the world." After all, it would be an exercise in futility, since most of those thousands attended those auctions precisely because they wanted to buy goods they needed: baby carriages, blue jeans, skirts, jackets, cassettes, video cassettes, push-button telephones, shoulder-strap umbrellas, and many other items, and in particular, merchandise of good quality, made by well-known manufacturers, at half the price we are paying in our stores. Who can blame them if such goods are also sold by dealers and black marketeers and if this has less than favorable consequences for our economy? If this whole matter has any moral dimensions, then it certainly is not due to the "perverted morals" of our citizens but to shortages of quality goods in our stores and to the high purchasing power of our people. Everything else is only a side effect of that situation. In other words, the auction is not a disease but only a thermometer showing that the temperature of demand has risen higher than the temperature of offer.

I do not want to exaggerate; those whom I have indelicately called here "aesthetic souls" are making their pronouncements only because they are disturbed by symptoms indicating that as far as morality is concerned, something is wrong with our society. In the end, I share that opinion. We are now disputing what should be done about that. Should we again start "fighting"—as we had done repeatedly in the past—against the cult of material possessions and against the psychology of consumerism, and extolling modesty and self-denial? No, people are not suffering from an overabundance of material possession and money, but in reality either from shortages of goods or from deformed conditions under which they have to purchase goods and earn money. Therefore, we cannot blame our difficulties on innocent acquisitions or on moral flaws of our fellow citizens. Then it may be much easier for us to start looking for causes at their real root.

HUNGARY

More on Party, Workers Guard Business Enterprises

Workers Guard Enterprise Described

25000482 Budapest HETI VILAGGAZDASAG
in Hungarian 23 Sep 89 pp 69-70

[Article by Ibolya Jakus: "Workers Guard Enterprises: In Business up to Their Necks"]

[Text] The Workers Guard is establishing various business enterprises at a speed that would put professional business consultants to shame, as was revealed not too long ago. The legitimacy of ownership that forms the basis of such ventures, and the ethics of these businesses from the standpoint of competition, is questioned by many who regard these simply as maneuvers to salvage state property entrusted to these organizations.

Since 1957 the Workers Guard has received a total of about 12 billion forints in state support. According to Workers Guard calculations, their assets amount to almost 10 billion forints, of which 47.3 percent is in real estate, 17.6 percent represents the value of weapons, and the rest is embodied in the form of so-called personal items. In earlier days the mere presence of weapons in the hands of workers guards raised public concern. As of lately, in the aftermath of the NEXT 2000 case and in response to news leaks concerning Workers Guard enterprises, attention is being focused on the purpose and use of these immense amounts. At a press conference called almost immediately after word was leaked about a Workers Guard limited liability corporation [Kft], it was revealed that whatever the opposition and the public has heard about the salvaging of assets held by the organization is factually correct, except that the Workers Guard qualifies this as "the most efficient management of national assets entrusted to them." In their view this concept accommodates virtually any kind of business activity ranging from stock purchases and shops selling merchandise for foreign exchange, to an English language commercial radio or for that matter, newspaper distribution.

The first tier of the Workers Guard enterprise structure includes so-called state budgetary operations. According to a decree in force concerning the management of state budget organs, the primary task of such operations is the supply of goods and services to the founding state organs, but surplus capacities may be sold to outside buyers. One of the three budgetary operations established thus far is the former training and recreation center of the Workers Guard renamed "Club Tomaj." As of 1 July it has been serving ordinary mortals, including foreigners. The four star resort charges 60 West German marks for a double room, according to the club's newly printed German language prospectus. Meals cost an additional DM23. Incidentally, this year the director expects Club Tomaj to produce only a modest profit of 500,000 forints. Another budgetary operation, the Material and Supply Command, is also engaged in selling scrap equipment to the populace. Plans call for this operation to produce 10 million forints in profits this year. The third such venture is the Commercial Technical Services House (KMSZH) engaged in organizing, planning, and implementing construction projects, among other purposes. KMSZH also has its own department store in which clothing and sporting, fishing, and hunting gear are sold. It is open to the civilian public. By year's end they expect KMSZH to produce 800,000 forints in profits. Establishment of three additional Workers Guard budgetary operations is in progress. Plans also call for the Central Motor Vehicle Plant, the Workers Guard Commanders School, and the Workers Guard video studio to enter the civilian market.

At the press conference, Workers Guard Deputy Commander Gyula Bartha stressed that "the managerial capacity of the Workers Guard relative to state property will not change as a result of establishing these budgetary

operations." We were also told that these operations are taxed pursuant to general rules. The Workers Guard commander decides what to do with the taxed profits, whether to use these funds for Workers Guard purposes or to leave the the money with the budgetary operations for investment in additional ventures, as is permitted by current rules.

It appears that budgetary operations do take advantage of the latter possibility. The fact that these operations are able to participate in limited liability corporations, establish joint enterprises, and purchase stock makes it likely that such second tier ventures will bring more profits to the Workers Guard than the profits derived directly from the first tier budgetary operations. In such cases, however, the legal status of property used for capital contribution purposes—the ownership of the real estate used by the venture—is unclear. Thus it becomes apparent why many regard these multitier ventures as the salvaging of state property.

Kelen Tours, a foreign tourism organization, was the first "second tier" enterprise to be established by three existing budgetary operations of the Workers Guard and by Kerszi [no further explanation given] with 1 million forints of founding capital. Coopier, Kft., the second such venture, was established by KMSZH. It involves foreign interests and its registration is pending at the Court of Registry. This 1-million-forint mixed nationality enterprise will try to establish itself in the advertising field and is based on capital contributed by the Austrian firm EBM: a Canon laser-equipped computerized color copying machine, capable of enlarging, reducing, distorting, combining and touching up picture postcards and photographs in a matter of minutes. KMSZH plans also call for the establishment of yet another mixed-nationality enterprise involving the West German Kettner firm, an organization engaged in the sale of hunting gear, weapons, and supplemental equipment. Kettner would open stores in the upper levels of KMSZH department stores, selling its merchandise for foreign exchange. At present the foreign exchange background and licensing of this business is being examined.

An undertaking which appears to be larger than the ones listed above could come about if the Workers Guard entered the newspaper distribution field. According to KMSZH Director Istvan Nagy the Workers Guard which operates as part of the public administrative system has the appropriate organizational and technical background to pursue such activities, and thus become a serious competitor to the Postal Service.

The Workers Guard's relationship with Radio Bridge appears to be the seedling of a peculiar enterprise. The commercial radio station with regular English language broadcasts had already been operating for a few days at the time President Bush visited Budapest. It is likely that as of 1 January 1990 the station will not struggle for the allocation of "civilian" wavelengths. It will use Workers Guard frequencies instead. Authoritative Workers Guard sources refused to comment on this matter,

claiming that plans are still vague, and besides their partner treats these plans as business secrets.

Rodosto House is yet another kind of venture. In 1984 the Workers Guard purchased the building that once functioned as a tourist house, and changed it into a luxurious hunting lodge. Since then it was leased to Mavad [abbreviation unknown]. Questioned about the size of leasing fees Istvan Nagy claimed that the amount constituted a business secret. Nevertheless he revealed this much: "we are receiving a significant amount with foreign exchange implications."

The following matter was not touched upon at the Workers Guard press conference: Not too long ago the Baranya chapter of the Hungarian Democratic Forum [MDF] reported that the Workers Guard had purchased stock worth 101 million forints from the Construction Industry Innovation Bank [EIB]. In this instance the purpose of salvaging assets by budgetary operations became visible; According to Istvan Nagy, not the Workers Guard but KMSZH, one of the budgetary operations, purchased the stock. The director also denied the magnitude of the amount involved. According to his statement the value of stock purchased amounts to "only" 3.25 million forints. EIB President Tamas Varga invoked bank secrecy and did not agree to serve as arbitrator. He nevertheless said that as far as he knew, the information received by the MDF was based on the memorandum concerning the proposed purchase, while Istvan Nagy was talking about an actually completed business transaction. True, on occasion the difference between the face value and the sales price of stock is so great that both figures may be correct; Tamas Varga's statement would indicate that the stock sold at face value. The bank president flatly denied the truth of widespread beliefs that Varga himself is a workers guard.

Thoughts on Legality of NEXT 2000

25000482 Budapest FIGYELO in Hungarian
28 Sep 89 p 7

[Article by Emilia Sebok: "NEXT 2000, Kft.: Legal Distortions"]

[Text] I do not believe that I am the only person barely trained in the field of law who understands increasingly less about the battle of paragraphs that surrounds the NEXT 2000 Kft.

Let's look at the events and statements one by one:

—At its 27 August session the Independent Lawyers' Forum [FJF] board declared that the establishment of NEXT 2000 was flawless from the legal standpoint. They now say that at the time they made this statement they were familiar only with the founding document (the original articles of incorporation) and the subsequent basic notation entered by the court of registry. This document and notation pertained to a founding capital of 2.9 million forints.

Statements made at the Alliance of Free Democrats [SZDSZ] rally the day before did not reveal every detail of the facts either. According to press reports at least, at the rally they were talking about NEXT 2000 having received a dowry of 1.16 billion forints worth of resort facilities from the Hungarian Socialist Workers Party [MSZMP]. One could not tell whether these pieces of real estate were owned by the MSZMP or were only managed by it. According to the FJF, the idea of raising the capital level would have been flawless had these properties been owned by the MSZMP, but the situation is different with regard to managed property. The fact that not even this situation is clear will be revealed later.

—An MSZMP person in authority instantly reacted to statements made at the SZDSZ rally (NEPSZABAD-SAG 28 Aug) saying that the NEXT 2000, Kft. will take over the management rights to the resort facilities. He could say this because by then he knew that the Budapest City Court had rejected the registration of increased capital contribution, meaning the transfer of real estate assets worth 1 billion forints. Nevertheless, the MSZMP person added that this matter was not finalized. He was correct; one always can rely on legal distortions.

Because this is the most disturbing issue:

—On what legal grounds did the Budapest City Court deny the registration increasing the basic capital? According to official explanations it did so, because pursuant to the land law, as amended, the MSZMP Central Committee [CC], as manager of these pieces of real estate, could not transfer ownership rights to the limited liability corporation.

But these amendments went into effect on 1 July 1989 with a notation that the amended provisions must also be applied to cases in progress. On the other hand, the list of capital contributions which provoked such great outrage was signed on 28 June, at a time when this action was perfectly legal, according to the "old" land law then in force. So then, was this case in progress or not?

What if the registrars of the Budapest City Court were not as busy as they actually are, and were able to complete registrations within 24 or 48 hours—as they presumably can in some places abroad. Could they have legally registered the increase in capital contribution prior to 1 July? Or does the workload at the Court of Registry determine matters like this?

But one need not go even that far in searching for examples. Once again thanks to the SZDSZ it was revealed that with the transfer of real property managed by the MSZMP, courts of registry in the countryside have registered the establishment of companies domiciled in the countryside. By now the only question is this: Why did they register such companies? Was the establishment of these companies within the law? But then why does the chairman of the Budapest City Court declare that the rejection of NEXT 2000, Kft. to increase the capital contribution was legal in every respect? Was

there greater political pressure exercised in the countryside or was the registrar not as "tough" as the one in Budapest?

And the Law on Business Organization states that as a result of registration a business organization is considered as having been established retroactively, beginning at the time when the organizational agreement was signed. Would this not apply retroactivity to an amended agreement? The law does not address this issue.

But these are only the layman's questions, prompted by the fear that perhaps the law may conceal more loopholes which would lure some people to pursue similar actions. Actions, which in this specific case were unanimously regarded by FJF experts as unlawful, as the abuse of law. The idea that the MSZMP CC was unaware of the fact that the amendments to the law would go into effect within days is inconceivable. The amendments were published in the 22 June issue of *MAGYAR KOZLONY*, after all.

Except for the fact that this matter serves as a reminder, we could accuse hundreds of thousands of Hungarians of abusing the law—those who went shopping to Vienna in the first days of April, just prior to the effective date of more stringent customs rules.

—On the other hand, the MSZMP did not surrender the idea of transferring its high value resort facilities and educational institutions to NEXT 2000, even if that took place in a different legal framework. I already mentioned the concept of transferring management rights, but we have not yet said that the opposition also deemed this idea repugnant to law. Attempts to transfer management rights followed thereafter (see the cases involving the Dobogoko and Leanyfalu resort facilities). But the amendments to the land law do not prohibit the transfer of user rights, instead they require observance of rules pertaining to the management of premises. Sure enough, the MSZMP invokes this fact instantly, claiming that one need not even obtain a permit from the housing authority; it all amounts to a mere reporting obligation.

But, accurately stated, the applicable paragraph says that reporting will suffice if the function of the legitimate user is assumed in whole or in part by the new user, and if the new user intends continued pursuit of the [prior] function of the premises transferred.

Well, the question is whether use in the form of commercial lodging and catering—one of NEXT 2000, Kft.'s planned ventures responding to the spirit of our times—constitutes the same function as the membership's recreation for which these buildings were used. But of course here we find a loophole created by the words "in part." Because how large a part is at issue? Would it suffice to claim that one room in the building serves the purpose of party member recreation, while the rest of the building provides commercial accommodations, and if this is true, there is no need indeed to obtain a permit from the housing authority?

A separate peculiar feature of the MSZMP property salvaging action is the unrealistically low appraisal of real estate. Quite naturally, opposition critics also made an issue of this matter. Sure enough the response to these charges claimed that it would be difficult to fault the MSZMP for this country's failure to officially settle the valuation of fixed assets according to book value for many years.

Well, there is some truth to this. But the Law on Business Organization mandates the assignment of auditors in cases involving single person limited liability corporations. And as long as an auditor functions at a company, that company is prohibited from establishing the value of contributions in kind at levels higher than the value determined by the auditor. But nowhere does the law say that the auditor himself is obligated to make appraisals, to assign realistic values to capital contributions higher than book values. On the other hand, the law says that any member of a corporation who in the course of establishing the corporation acts in a fraudulent manner shall be held liable without limitation and universally for damages resulting from his fraudulent conduct.

But I will not go on, because from here on the inquiry would lead very far astray. I just hope that these will not be questions for which there are no answers, even in heaven.

Search for Property Origins

25000482 Budapest HETI VILAGGAZDASAG
in Hungarian 30 Sep 89 pp 4-6

[Article by Endre Babus: "MSZMP Property: From Where?"]

[Text] New details on the MSZMP metamorphosis were revealed last week. Following revelations concerning the NEXT 2000, Kft. and its twin brothers in the countryside, Representative Zoltan Kiraly called on the finance minister to account for state budget support provided to the MSZMP and to other social organizations. Meanwhile the MSZMP continued to maintain the perhaps questionable viewpoint according to which the decisive part of the property was acquired through its own resources, meaning membership dues and income derived from party enterprises.

Turning night into day, several employees at the Ministry of Finance (PM) are presumably searching for records showing state budget support provided to the MSZMP. "We want to avoid even the appearance that the ministry is failing to place data at the disposal of Parliament. But the tasks are immensely difficult," according to PM Chief Division Head Aniko Szanto. "The difficulty arises from the fact that only since 1978 has the state budget separately itemized support funds paid to social organizations. At the moment, all our efforts are concentrated on finding documents for the period prior to 1978, even if we must dig them out from underground."

The PM's presentation of documents that indeed reveal retroactively the system of relationships between the state and the MSZMP, may be a first step toward resolving a dispute that is beginning to become rather venomous. For the time being, however, from a moral standpoint news about maneuvers with property is weighing heavily on the MSZMP.

The party apparatus tried to publicly explain the events surrounding NEXT 2000. But it no longer made as much as an attempt to provide a response to the merits of last week's opposition charges based on property transformations, which render the MSZMP suspect of making party real estate disappear. (According to the SZDSZ the ruling party established limited liability corporations in Győr, Sopron, Veszprem and Szekesfehervar.) The MSZMP business division was shrouded in silence and refused press inquiries. It responded only by way of secretarial support personnel saying that the division will account for the property to the party membership at the October congress. Accordingly, the MSZMP continues to regard the situation surrounding its property as an internal affair, which in its view is caused by the incitement of a manipulative mood.

Opposition demands urging full financial disclosure by the MSZMP are met with a lack of understanding not only by the party apparatus, but also by part of the membership. For years and decades the membership has been paying between 1 and 4 percent of its wages in the form of progressive party membership dues. At this point the membership is at least apprehensive when it asks: On what basis does an opposition which believes in the sanctity of property question the origins of all of the MSZMP's property, at a time when an overwhelming part of that property was derived from membership dues and profits from party enterprises? The latter view became a virtually indelible part of the image the MSZMP created of itself. CC secretary Pal Ivanyi's Sunday TV statement appears only to support this concept. According to Ivanyi, of the 30 billion forints in revenues collected by the MSZMP since 1957, 20 billion were in the form of membership dues, while state support provided to the party since 1970 amounts to only between 5.5 and 6 billion forints.

Doubtless, it would be risky to draw final conclusions on the basis of fragmentary information. Nevertheless, on the basis of information released or leaked, or publicly known facts, the myth nurtured by the MSZMP according to which the party accumulated its assets primarily by using its own resources, appears questionable to say the least.

Data revealed thus far indicates that during the past 2 decades the MSZMP has financed its operations by placing an increasing burden on the state budget. In 1970, 6.3 percent of its expenses were covered by public funds, but by 1985 this ratio had increased to 12.3 percent. In 1987 the ratio leaped as high as 21.8 percent. During the past decade, however, direct financial means were not the only avenues by which substantial amounts

of state funds were channeled to MSZMP coffers. In a manner similar to other privileged social organizations, the condition of party assets was improved by special tax exemptions granted to party enterprises. What was at issue was the fact that prior to 1988 MSZMP enterprises (Szikra Newspaper Printing Enterprise, Kossuth Publishers, and Newspaper Publishing Enterprise, among others) paid their public taxes to the party treasury. The total amount of such taxes amounted to 251 million forints in 1987.

The privileges described above were cloaked in a peculiar ideological gown. Instead of discussing state grants, the MSZMP made it a point to talk about expense reimbursement provided to its institutions, and tried to justify the tax exemption granted to party enterprises by representing those enterprises as state budgetary organs, similar to schools and hospitals. This approach instantly produced the not insignificant advantage of party enterprises paying only 10 percent of the workers' wages in the form of social security contributions until the end of last year, rather than approximately 40 percent.

A few MSZMP institutions served to provide legitimacy for these benefits. According to the party the Political Academy, the Social Science Institute, and the MSZMP's county educational directorates fulfilled public functions, therefore in these cases state support is warranted just as it is with regard to similar organs included in the state budget. Party economists prefer to forget about the not incidental circumstance that these establishments were subordinated to the prevailing political interests of the MSZMP and they endeavored to pressure their students to be loyal to those in power. Similarly, they like to forget about the fact that many could perceive the payment of party membership dues (MSZMP's chief source of cash) as a compulsory "tax burden" on their careers and the higher income that came with it.

It is apparent that the operating costs of the gradually developing party infrastructure should have been financed with funds from the MSZMP coffers. Party revenues, even though questionable from other points of view, could have covered these costs. In 1987, the only year for which a few pieces of significant MSZMP financial data were publicized, the party spent a total of 1.956 billion forints for wages and for the operation of its institutions. Most, if not all, of this amount could have been covered by party membership dues (a total of 1.389 billion forints), and from transfers and other income from party enterprises (251 million + 196 million forints).

All this suggests, however, that at least as far as the model year 1987 is concerned, in theory the ruling party could have accumulated and increased its assets only as a result of the 496 million forints it received in the form of state support.

MSZMP investments, however, were by far not the only opportunities available to the MSZMP for accumulating

property during the past period. That is, the state party not only established for itself a "protectionist" economic regulatory system; it also issued orders regarding the purchase and sale of real estate. This enabled the reallocation of real estate property owned by the state to become party property. In order to maintain semblances, buildings and lots remained the property of the state, and the MSZMP received "only" the management rights. In recent times they have gone out of their way to make references to these management rights.

The fact that for many long years these management rights represented concealed but actual ownership is less frequently mentioned. This is because prior to 1 July 1989 (see article below) a manager was able to sell the state's real property he managed. Certain transactions came to light as a result of maneuvers by the Communist Youth Organization [KISZ] in early 1989. In these transactions social organizations that acquired management rights over state real estate property free-of-charge sold public buildings to each other essentially without compensation, while for similar sales to outsiders they charged prices at market value. In this way, the public buildings sold ceased to be state property.

The above probably will make it apparent that for all these reasons the opposition has substantial cause to call the MSZMP to account, and in the final analysis, to urge the nationalization of assets held by social organizations.

Legislative Action Described

25000482 Budapest HETI VILAGGAZDASAG
in Hungarian 30 Sep 89 p 4

[Unattributed article: "The Going-Into-Business-Fever Chart"]

[Text] In late June 1989 the MSZMP was literally burning up with a fever to establish shady businesses, according to a statement made at the SZDSZ press conference last week. The following briefly reiterates the amendment to the land law in early summer, and a few station stops of the parallel siege to establish enterprises.

May 1989. The government presents a legislative proposal to amend Law No 1 of 1989 concerning land. The proposal disregards social organization real estate maneuvers which came to light during the initial months of 1989 in the context of the KISZ transaction. (In late 1988 and in early 1989 several KISZ county committees gave away free, or sold at nominal prices to the KISZ CC [as published] scores of state owned property managed by the KISZ CC.)

17 May 1989. To prevent real estate manipulations by social organizations, Representative Frigyes Tallosy recommended to Parliament that the sale of state property managed by social organizations be prohibited. (That is, according to the Land Law of 1987 managers of state property were entitled to exercise ownership rights over state property even if these managers were not state

organs, but were social organizations instead. The manager was able to sell, lease, or establish leaseholds on real estate which was owned by the state on paper; moreover, if managerial rights were withdrawn, the managers were generally able to claim indemnification. Thus the managers, not the state, were the real owners. The state had some kind of ownership right only "in principle.") Representative Tallosy also urged that the real estate already sold be returned to state ownership, with the simultaneous indemnification of buyers.

26 May 1989. The judiciary and agriculture committees of the National Assembly support Tallosy's first proposal, but reject the second.

1 June 1989. Tallosy remains steadfast, he submits both proposals to the plenary session of Parliament.

2 June 1989. Agriculture Minister Csaba Hutter recommends that the National Assembly reject Tallosy's proposals. By a vote of 182 to 64 the idea of "renationalizing" state property sold by social organizations is rejected. On the other hand, Parliament adopts Tallosy's second proposal. As a result, managers of state property would be unable to sell their real estate beginning on 1 July 1989.

23 June 1989. MSZMP establishes NEXT 2000, Kft. in Budapest with a founding capital of 2.9 million forints.

28 June 1989. According to a statement submitted to the Budapest Court of Registry, the MSZMP CC intends to increase the basic capital of NEXT 2000 four-hundredfold, primarily through capital contributions in the form of real estate amounting to 1.1653 billion forints. Invoking the subsequently amended Land Law, the Court of Registry rejects the application to increase the capital. NEXT 2000 is registered on the basis of the originally reported 2.9 million forint basic capital.

26-30 June 1989. The MSZMP launches a siege to establish shady businesses in the countryside. According to SZDSZ data not denied thus far by the MSZMP, the MSZMP county committee registers Cimbriana, Kft. in Veszprem, Allegro and OSSZI limited liability corporations in Győr, and Komfort, Kft. in Szekesfehervar. At the same time the MSZMP starts up Communist Party enterprises in Balassagyarmat under the name "Polipves," and in Bacs-Kiskun County under the name "Bacs Touring." Each company is given ownership of between 50 million and 100 million forints worth of guest houses, party headquarters buildings, garages, and educational centers.

1 July 1989. The amended Land Law goes into effect.

26 July 1989. According to SZDSZ information, Cimbriana, Kft. of Veszprem was registered by the local Court of Registry on 26 July. The SZDSZ states that the Ministry of Justice is investigating the case; this information was denied in response to an HVG inquiry.

15 September 1989. At a joint session of Parliament's judiciary and agriculture committees, Pest County representative Mrs Vass, Ilona Nyeki proposes to amend the Land Law once again to revoke managerial rights held by social organizations (including the MSZMP) over state owned property. According to the proposal the managerial right would be exchanged for a lease, and leased property could not be further transferred by social organizations even for use by others. The two committees are supportive of initiating parliamentary debate concerning Rep. Vass's proposal this fall, in September if possible.

22 September 1989. Representative Vass begins gathering signatures from 50 supporting representatives needed to bring the issue to the floor of Parliament on a priority basis, so that after committee debate she may introduce a formal legislative proposal during the October session of the National Assembly.

Party Retains Publishing Business

25000482 Budapest HETI VILAGGAZDASAG
in Hungarian 30 Sep 89 p 5

[Interview with Jenő Andics, MSZMP CC Social Policy Division head, by Richard Hirschler: "How Much Are County Newspapers Worth?"; date and place not given]

[Text] What is the MSZMP going to do with its newspaper publishing enterprise, which is not a small part of its assets? In addition to the Budapest Newspaper Publishing Enterprise it owns 18 county publishing companies which together publish 20 daily county newspapers. We asked Jenő Andics, CC social policy division head, about these matters.

[HVG] Will the party surrender its publishing enterprises and its county newspapers in the framework of MSZMP renewal?

[Andics] That's out of the question; county publishers are independent enterprises established by the MSZMP. Therefore, as founder the MSZMP has founder's rights and obligations. These publishing enterprises stand on their own feet; most of them are profitable, their situation is orderly, and it has not even occurred to us to surrender them.

[HVG] This may be so; on the other hand it may be worthwhile to think ahead. It is apparent that the MSZMP's dignity would have become less tarnished if somewhat more than 6 months ago it had transferred its educational centers to the Ministry of Culture, its resort facilities to the SZOT [National Council of Trade Unions], and some of its party buildings as social welfare homes to local councils. From a legal standpoint the publishing enterprises belong to the MSZMP, but even the MSZMP delimits itself from the flagrant injustices of the 1950's, from the laws of that era.

[Andics] Our position in this regard is clear. These newspapers were established solely by the Communist Party, or by the Hungarian Workers Party [MDP], or in conjunction with their coalition partners. As the partners

left the coalition, and after merging with the Social Democrats, the MDP remained the sole owner. The PEST MEGYEI HIRLAP was established by the MSZMP in 1957. Our party's entitlements as the founder of county newspapers must not be questioned if Hungary is proceeding toward becoming a constitutional state.

[HVG] Regardless of how we look at it, the Communist Party remained alone on the stage by liquidating its partners in the coalition, and by shutting down local, independent newspapers, most of which operated on the basis of business principles before. Even today the editors in chief of county newspapers are appointed by directors of publishing enterprises tied to county party committees, and there is no doubt about their editorial policies since these are MSZMP newspapers....

[Andics] We are aware of the fact that we must adjust to the changed political conditions. County newspapers cannot be the mouthpieces of the MSZMP. They would go out of business if that was the case. We must also prepare ourselves for the eventuality that the present organization of county party committees is discontinued. The only thing we insist on is that county newspapers published by us shall conduct political discourse according to the value system of the Left, in the form of independent workshops. We will continue to insist on retaining our founder's rights, and thus also part of the profits made by these publishing enterprises.

[HVG] I understand that during the past decade 2 billion forints flowed into the party coffers from the party enterprise called Newspaper Publishing Enterprise which directed the county newspapers until July 1989. I also understand that half of this amount originated from payments made by county publishers. Could you not replace these funds from another source?

[Andics] Our membership is on the decline and our membership's purchasing power is becoming less and less. We cannot rely solely either on membership dues or on state support; we need income independent from these. For this reason, anyone who intends to break off the publishing enterprises from the party does not act in the public interest, instead such persons endanger the normal functioning of the party. I repeat: Taking away our publishing enterprises would constitute a miscarriage of justice, and we intend to prevent that at any price.

Resolution to Party Property Issue

25000482 Budapest HETI VILAGGAZDASAG
in Hungarian 30 Sep 89 p 6

[Article by economist György Matolcsy: "A Function of Division"]

[Text] In the following article economist György Matolcsy describes one possible method of nationalizing all property owned by the MSZMP, and of distributing such property among all active participants in political

life. The model could also be applied with regard to properties belonging to the SZOT and the rest of the social organizations.

As a first step all property belonging to the MSZMP and the rest of the social organizations should be nationalized.

As a second step all registered parties and social organizations would be given a few months to announce their claims for headquarters buildings, daily newspapers, periodicals, and the infrastructure serving these.

As a third step these claims would be summarized and ranked. This would perhaps be the most important step; educational, health care, and social service facilities previously used by only narrow groups of the elite would be extricated from the whole of party and trade union property, and placed at the disposal of society for use not in the political structure, but for public purposes.

As a fourth step, assets designated for public purposes would be transferred to autonomous governing bodies. These governmental bodies would be entrusted to offer, for example, a former MSZMP educational building for purposes of an academy, a high school, a club, an association, or even for purposes of the economic chamber. In principle it would be conceivable for autonomous governmental bodies to sell part of the institutions they own on the basis of parliamentary authorization, but perhaps it would be more useful to utilize these facilities for educational, cultural, and social service purposes.

As a fifth step, the most rational method to manage the assets left within the political structure should be found. There are three different solutions here:

- These properties could also be transferred to the ownership of autonomous governments, which, according to the standards of society, would lease the real estate to parties and social organizations which apply.
- All assets would be owned by a so-called Democracy Foundation. The seats on the board of this foundation would be distributed among the parties according to the most recent election results. Thereafter the real property owned by the Foundation would be distributed pursuant to a decision reached by the board, while other assets would be transferred for use by individual parties and social organizations for a certain period of time.
- A financial institution would be established by the state to receive the nationalized property of social organizations as its assets. From these assets the bank would lease real estate and infrastructure to the parties and other social organizations at market value. The remaining establishments could be leased outside of the political sphere, or they could be sold and new establishments purchased; in summary: The bank could function as a financial institution.

Pay Raise for Teachers; Lutheran Gymnasium Opens Doors

*25000457a Budapest MAGYAR NEMZET
in Hungarian 4 Sep 89 p 6*

[Article by MTI: "Sixty-Percent Wage Increase for Teachers"; "National Academic Year Opened at Fator Gymnasium"]

[Text] The national opening of the current academic year was held at the Fator Lutheran Gymnasium in Budapest on Saturday. Following the religious service which also greeted the first school year of the historic church gymnasium, reborn after 37 years, every educator and student of the gymnasium and of the country was welcomed by Gyula Nagy, bishop-president of the Hungarian Lutheran Church, and by Ferenc Glatz, minister of culture.

In his introduction, the minister spoke of the new departmental program, which emphasizes the examination and transformation of the entire educational system, and which also assigns a prominent role to culture, both materially and morally, within the whole of political thinking. Listing the still existing obstacles to catching up with Europe and to bringing education to a European level, as well as the means for their elimination, Ferenc Glatz spoke of the far-reaching program of teaching Western languages. One part of this program involves increasing the number of language teachers in training two and one-half fold at universities and sixfold at colleges, a gradual retraining of Russian language instructors, and the introduction and employment of native instructors of foreign languages.

"During the past 40 years," he said, "schools were primarily looked upon as a means of the ideological-political reeducation of society and the development of uniform political thinking." "In our opinion," he stressed, "the school is not an institution meant for the dismantling of the ideological goals of party politics. It is an institution for the instruction and education of the local society, the local community, the settlement; it is the primary institution for cultural advancement, as well as a guarantee for democracy and openness in local society. It is in the interest of the community, and of society as a whole, that a bright, highly qualified work force graduate from their ranks and that similarly qualified leaders emerge from it."

Ferenc Glatz continued that society, including both regional and national fiscal leaders, must understand that the series of actions undertaken to improve the equipment of the schools and to provide the necessary material conditions is not some kind of luxury. Special support must be given to advance student sports, enrich school libraries, and set up computer and laboratory equipment and language laboratories. These are not excessive expenditures in the midst of the economic crisis in Hungary, but rather the most important means for overcoming the crisis.

The minister gave special mention to the most important factors of a good school, the educators, and the activities aimed at restoring the prestige of the teaching profession. He reported that the teacher training system introduced in 1949 will be examined and work is in progress aimed at setting up institutes for teacher training within the universities.

He explained that the large majority of today's teachers have studied by now obsolete subject materials in the universities, prepared and controlled centrally, and based on ideological-political guidelines. Therefore, some form of an institutionalized self-education process must be developed for them, as well as access to new knowledge and relationships, and, last but not least, they must be provided with the material means which will also allow them to invest in their own intellectual enhancement.

Therefore, although not in agreement with the strikes, the Ministry of Culture developed a 3-year plan for closing the existing 70 to 100 percent gap between the salaries of educators and intellectuals, said the minister. He reported further that, according to the proposal accepted at the last session of the council of ministers, the salary of educators will be increased by 20 percent, instead of the usual automatic 4 to 6 percent, relative to the 1989 salary budget, as of 1 January 1990. In addition, the educators are to receive a special salary increase of 4 billion forints, which is three and a half times more than the recently implemented salary increase in September. With these combined measures, the salary increase of educators will amount to about 60 percent.

In conclusion, the minister pointed out that both the government and the ministry were led by political aims in selecting the location for the national opening of the academic year. In the Hungary of the 1990's, he said, we envision a multifaceted society which provides free reign to the economic and intellectual endeavors of individuals and groups, a society which clearly knows that one of the conditions of individual freedom is the freedom to express differing opinions and the institutionalized tolerance based on it. In this view of society, the churches can appear in a very important position. We view the churches as a network of institutions which help preserve the community, and where, centuries ago, our people were first taught to read and write. The churches also provided the framework for the education of intellectuals who had a role in organizing their communities. At the end of the twentieth century, society still retains its need for institutions which help maintain the community and its traditions, institutions among which the church has proven to be so enduring.

Following the Minister of Culture, Gyula Nagy, bishop-president of the Hungarian Lutheran Church, greeted the gymnasium, the reopening of which, in his words, is one of the visible signs of the great historical transformation taking place today in the entire life of the country.

On Saturday, meetings to open the school year were held nationwide in a number of high schools and higher educational institutions, for example, at the Medical University of Debrecen and at the teacher's college of the city. In Veszprem, a gymnasium named after the renowned medieval bishop and King Matthias's famous diplomat, Albert Vetesi, was dedicated by Ferenc Pusztai, undersecretary of the Ministry of Culture. In Budapest, the XVIII. District elementary school on Gilice Square took the name Elek Benedek, also on Saturday.

POLAND

Changes to Constitution as Viewed by PZPR Deputy

90EP0040A Warsaw TRYBUNA LUDU in Polish
16-17 Sep 89 p 3

[Interview with Janusz Trzcinski, PZPR Sejm deputy, by Jan Brodzki: "Comrade Janusz Trzcinski's 'Catalogue'"; date and place not given; first paragraph is TRYBUNA LUDU introduction]

[Text] The epoch of the constitution that was ratified in 1952 is ending. Some things—changes introduced later—have removed it even farther from the challenges of reality; some things have brought it closer. But all in all, it is a piece of legislation that must be viewed in a new way. We place the columns of TRYBUNA LUDU at the disposal of our Readers, for them to consider what the new constitution should be like, what we should expect of it. Let the most varied opinions appear in our columns. Consider yourself invited. And we will open the series with a conversation with comrade Janusz Trzcinski.

[TRYBUNA LUDU] I would like us to talk about your vision of the future constitution. Will that be a conversation with the deputy chairman of the Polish United Workers' Party (PZPR) Deputies' Club, with a delegate, with a scholar, or simply with comrade Janusz Trzcinski?

[Trzcinski] Gladly, let us talk, but by no means do my reflections on that topic depend on the "incarnations" you are placing me in; in each one of them, my reflections are the same—and that was true before now.

[TRYBUNA LUDU] Let us recall, perhaps, several notable sentences from Wojciech Jaruzelski's address to the National Assembly on 19 July 1989, after his election as president of the Polish People's Republic. At that time, the president said, among other things: (...) "Work on a new constitution awaits us. It should take into account the constructive gains made by the social and political forces represented in the parliament. It should trace out the horizon of transformations (...)"

[Trzcinski] ... and I will remind you: The PZPR Deputies' Club passed a resolution calling for the Sejm to convene an Extraordinary Constitutional Commission,

and submitted a motion to the marshal that the Presidium of the Sejm give it due consideration. Recently, on 6 September, during the Club meeting, we returned to that resolution in the context of a discussion about the famous initiative by 15 delegates—members of our party—regarding an amendment to article 3 of the constitution that would remove the clause about the PZPR as society's leading political force in building socialism. Among other things, a plurality of parties, first of all, and second, equal standing for all political forces represented in parliament, follows from the very essence of parliamentary democracy.

[TRYBUNA LUDU] The amendment to article 3 is a piecemeal change in the constitution. Should further work really proceed in this direction—the piecemeal approach?

[Trzcinski] This question held an important place in the course of the discussion I mentioned. The view that unquestionably predominates, and this is my position as well, is that, generally speaking, we need a new constitution appropriate to new times. Piecemeal actions and tinkering would wrongly postpone a general solution. What is more, they could be extremely dangerous from the viewpoint of "legislative purity," meaning that they could entrench even the current, existing inconsistencies in the constitution. They have not fostered realization of the idea of a law-governed state, they have not fostered the formation of consciousness and the legal culture of society. Every piece of legislation must be characterized by coherence. Not to mention a fundamental statute.

[TRYBUNA LUDU] What is your vision for the new constitution, and what is that horizon of transformation like?

[Trzcinski] You see, in order to answer that question, albeit in general outline form, I must first delineate my stance regarding the present fundamental statute. I consider the 1952 constitution (along with most of its later amendments, but by no means all of them!) not so much as the supreme piece of legislation as a political propaganda document, a declarative document. The document reflects the assumptions that accompanied its creation.

Consider, too, that a peculiar approach to the functions of the state apparatus predominates, while its stance toward rights and civil liberties appears only much later on. In the constitution, we find a minimum of legal commentary and a maximum of generality.

For example, article 38, item 2 in the 1952 version read: "The Council of Ministers is responsible and accountable to the Sejm for its activity, and if the Sejm is not in session, to the Council of State." So what came of this foggy and lapidary? What came of it was that for years the responsibility of the Council of Ministers thus defined was in practice a fiction.

Stalinist theories played a large part in this concept; according to them, the constitution was to be precisely a

lapidary composition, it was not a codex of laws, it was supposed to be characterized by a protocol style. This mixture of declarative and protocol style, along with the transient nature of rules of law, permitted it to be applied and interpreted arbitrarily.

I am convinced, keeping political, social, and economic transformations in mind, that we must draw up a constitution—and do it in such a way that will reflect reality within the framework of our system, and that will simultaneously program the development of the country. This must be a good piece of legislation.

[TRYBUNA LUDU] A good piece of legislation... What "catalogue" of factors are you convinced will determine this quality of goodness?

[Trzcinski] I am convinced that, first, the new constitution should be, not a political propaganda document, but a legal document. Since this is the fundamental national legislation, then let logical consequences for the methods by which the content and form of all manner of lower order legislation are crafted result from it.

First of all, in my "catalogue," as you called it, I assign a special role to departing from the notion of treating the nation as the nation's apparatus. By that I mean, above all, its coercive apparatus. My notion is the notion of a nation as a political organization of society, governing itself by law. I would like the content of the constitution pertaining to this question to be formulated in such a way that it reveals fully that the organization of citizens within the society and the national apparatus are treated at least on an equal basis.

The next element in the "catalogue" is the postulate that each clause in the constitution always have the character of a legal norm. Please tell me what and who is involved in a clause like this one, for example: "Marriage, motherhood, and the family are under the care and protection of the People's Republic of Poland. The state will exhibit special concern for families with numerous progeny" (art. 79, item 1). Or this excerpt from item 5: "In its concern for the good of the family, the People's Republic of Poland (...) shall see to the efficient economic administration of available housing (...)" After all, if these were legal norms, there should have been cause on more than one occasion to take violations of them—and not of them alone—to the State Tribunal and the Constitutional Tribunal.

The third element in the "catalogue" is the tendency to ensure increasingly efficient guarantees, protection for constitutional norms. Basically, the institution of the Constitutional Tribunal performs this task to a great extent. But in my opinion, the jurisdiction of the Constitutional Tribunal should be broadened. For example, it should be enabled to rule on the constitutionality of legislation drafted by people's councils; to rule on decisions by the Main Administrative Court and even the activities of the Supreme Court; and to study international agreements.

The fourth requirement would be a constitution that clearly settles the system of legal sources. However, there must be clarity, like a hierarchy and a definition for individual pieces of legislation. What is a law, and what is not. So, for example, so-called autonomous resolutions ratified without legal basis would come to an end, and so would "mimeograph law." And, to speak parenthetically, a need exists for the parliament to influence the government toward hastening the preparation of the governments legislative plan for enacting laws.

The fifth point in my "catalogue" is the postulate that the constitution should be a piece of legislation that is directly binding, so that it could be the basis for what a citizen must do to resolve specific administrative or courtroom matters. In Poland, a citizen who demands his rights can invoke various normative pieces of legislation, but not the constitution.

And, finally, the sixth element. The mode in which the constitution is amended must be modified. The current solutions suppose that it will be too easy to accomplish changes, and sometimes haste follows from this supposition as well.

[TRYBUNA LUDU] I understand that there is no way our conversation can exhaust the topic. There are so many angles left...

[Trzcinski] Let's take them up. Nothing is stopping us.

[TRYBUNA LUDU] Gladly. Thank you.

PZPR Deputies' Club Official Discusses Internal Divisions

*90EP0004B Warsaw TRYBUNA LUDU in Polish
8 Sep 89 p 3*

[PAP article: "We Certainly Are the Sum of Many Parts: Vice President Ludwik Bernacki of the PZPR Speaks About the Deputies' Club"]

[Text] There is talk about division at the heart of the PZPR Deputies' Club, about domination of the delegates by party authorities, about the passivity of PZPR deputies in the Sejm. "How do you address this?" was the question put by our PAP [Polish Press Agency] journalist to Ludwik Bernacki, vice president of the PZPR Deputies' Club. Here is his answer:

"A statement by the Chairman of the ZSL [United Peasants' Party] Deputies' Club did appear, in POLITYKA, for example, assessing our club as closed-minded, indecisive, stifled by the CC [Central Committee]. I absolutely disagree with that opinion. We certainly are the sum of many parts that have travelled the hard electoral road, and now, in the parliament, we have a much more difficult role, though that is because we are unable to make spectacular gestures like the ZSL or SD [Democratic Party] delegates.

"Club meetings are neither manipulated nor dominated by the CC. We said clearly from the beginning that we do

not want to cooperate in the creation of the party line. Whether we will succeed is another matter. The fact is that there are certain problems with contacts between the CC and the club, but there is no question of the club breaking down or splitting into factions. Obviously there are impatient delegates who cannot stand silence for a moment and who tend to hasten the process of change. That kind of situation happened, for example, when 15 PZPR delegates submitted a motion to the Marshal of the Sejm to remove the clause about the leading role of the party from the constitution. But that very same day the entire club acknowledged that changing the constitution is a fundamental reality, that only the question of technique remained: whether to amend it article by article, risking incoherence in the basic law, or whether to do it all at once in an orderly fashion.

"We are still striving for a definite place within the overall structure of the party. Because we think that, as the deputies constituting the largest deputies' club, we should always have a place within the party authority structure. We have convened a working group to work out our position on this matter, and we will present it during our joint meeting with the politburo. We also think that the home front of the CC—as happens in the world, in other political parties—must work for the deputies, if not primarily, then to a considerably greater extent."

PZPR Krakow Executive Committee Statement on Government Formation

*90EP0004C Warsaw TRYBUNA LUDU in Polish
8 Sep 89 p 3*

[Text] The Krakow bureau of the Polish Press Agency [PAP] has received the following statement, adopted at the meeting of the Executive Committee (EC) of the Krakow Committee of the Polish United Workers' Party [PZPR] on 7 September: "The urgent situation prevailing in the country was the object of heated discussion. EC members acknowledged the necessity of holding a joint plenary meeting of the Central Committee of the PZPR (CC PZPR) and the party's Delegates' Club even before the Sejm of the People's Republic of Poland (PPR) convenes. This meeting would define our relationship to the crucial problems of political life. Among them are questions concerning our participation in a government. It was acknowledged that the party, which, consciously guided by goals for the whole of society, began the transformation process, cannot at present divest itself of responsibility for the development of the situation in Poland. Dissatisfaction with the lingering cabinet crisis was expressed. The situation is becoming dangerous, and it is necessary to draw conclusions from the rich and often tragic history of parliamentary government in our country. Nobody should be trafficking in national interests. The most important thing is the direction the prime minister will take toward solving our growing social and economic problems. On the other hand, the persons who occupy specific posts should be a matter of secondary importance. The interests of certain

groups cannot obscure the fundamental goal, the good of the people and of our homeland. The EC expressed its conviction that the prime minister, in forming a government, will be guided by the true abilities and personal traits of those who are eligible, not by political choices. The EC of the Krakow Committee of the PZPR calls all political forces taking part in the formation of the Polish cabinet to immediate and constructive activity."

PZPR as 'Workers' Party Discussed in 'Era' Computer Plant

90EP0004D Warsaw TRYBUNA LUDU in Polish
9-10 Sep 89 pp 1, 3

[Article by Maria Olszewska: "At Work? At Home? At Play? The Party of Workers' Interests"]

[Text] Here is an out-of-the-ordinary ceremony in these months that have been especially difficult for the party: during the plenary meeting of the of the Polish United Workers' Party (PZPR) Local Committee for the J. Krasicki Instrument and Computer Factory "Era," a membership card was presented to a new member of the organization, Marek Marchlewski.

He decided to join now, when the party remains but a part of a great governing coalition? When the odium of responsibility for everything is being heaped upon it, when its members are all but pilloried just for belonging to the PZPR? He is the only party member in his work squad, and the only one at home, because his wife is active in Solidarity.

"I decided to join three years ago, under conditions that were just as difficult for the party," answers the young hydraulics mechanic, who has been at Era for 6 years. "Some of my coworkers, who decided to join back then, have now resigned. Anyway, it doesn't bother me that I'm not a flag flying in the wind; what I am concerned with is being fully conscious of my own reasons. I don't want to be a bystander, but a participant in what is happening, in the changes. And in this party, here, at our workplace, among these comrades, I see a chance of that for myself. I am joining a party that is transforming itself right now, and I want to have an effect on its form—a party representing workers' issues."

You Get the Authority You Earn

The organization is two hundred out of the two thousand employees at Era. Among this work force, there is no talk of them being compromised, though there is silence as well, as is the fashion nowadays, about effective party measures to improve working conditions and business practices. But moderation and harmony in the cooperation among all of the forces operating within the work force have continued here since those most difficult of years, the early 1980's.

"We are evaluated like other members of the work force, everybody has the respect, the authority, he earns on the

job and in party activities," says Wojciech Kwiatkowski. Andrzej Flakiewicz, first secretary of the Local Committee, adds:

"And this is the attitude that party members expect from others: distinctions drawn based on real attitudes and actions, not generalizations that write off the whole party for the errors of a few of its members or groups.

"This is needed within the party as well, and it keeps eluding us, primarily due to a lack of effective contact, of understanding between the membership base and the leadership. Comrade Sklodowski asked what a rank-and-file party member is supposed to do if he does not agree, say, with cadre decisions made by the leadership. Does he have a chance to engage in discussion, to set forth his arguments, or just turn in his card? The methods used hitherto—passing things level by level to the top—don't resonate with people anymore. This is a question to the highest leadership, and I hope that we will manage to get it to them, but what about the answer?"

In a time when, as they say at Era, the party's last success was electing its representative, Wojciech Jaruzelski, president of the country, future cadre decisions are worth their weight in gold, and it is precisely these that stir up controversy and emotions.

"We must seek party representatives in the public forum," Stefan Kowalski is wont to say, "among new, young members who are not burdened with ossified thought patterns."

"The Eleventh Congress is an extremely pressing matter," adds Tadeusz Kosinski, supposing it were convened "naturally," with the delegates appointed from among the currently active members at the lowest levels of [party] organizations. The party's inertia today is nothing other than the result of a lack of clear directions for action."

Czeslaw Staszewski adds, "The key thing is to work out, quickly, a program for the party as a political force, because we have to learn immediately to function within new realities."

'Double Shifts'

Such reflections on matters fundamental to the PZPR cannot be avoided nowadays in party circles, even when the gathering is supposed to serve other, concrete goals. The Local Committee plenum met at Era to formulate an opinion on the issue of members of the local transferring to work in district party cells. This is not the first time it has been said that the District Basic Party Organizations are weak or too few in numbers (these are primarily organizations of retirees) to be significant within the society of a housing development or residential areas (and thus where what was not too long ago the opposition, and now wields authority, effectively acquired its wings). The remedy, supposedly, is so-called double membership on the part of PZPR workplace activists,

that is, membership in both workplace and district organizations. A document containing a proposition for suitable structures in the Warsaw voivodship has been prepared by the Warsaw Committee.

The Era Basic Party Organization, has already "struggled through" this problem: of party work "on double shifts," entering what is, after all, an unknown milieu even though it be where one lives, but without any tradition in this area... And with what kind of offering—now, when there is so much antipathy toward the party, when it happens that the most apt suggestion, the most valuable person is rejected solely for being stamped with the PZPR seal? They say at Era that the recent Sejm elections proved this. It is useless to seek reason and concession to sound arguments nowadays, when emotions and touchiness from old, festering wounds have come into play—and with living conditions getting worse as well...

"They took away that 'double membership' from us in production, in an attempt to maneuver the rank-and-file party members into tactical formations that can only lead to the breakup of the party," says Euzebiusz Olszowski. "People say they'll quit then. The place of a part that already has 'Workers' in its name is at work, among workers, where our experiences are and our interests lie."

Different Ways of Talking About the Same Thing

Others of the same mind back him up, citing their departmental cells. Remigiusz Godon, councilman on the Ochota District People's Council, emphasizes how important it is at present to return to the fundamental duties of the party as written in its bylaws: vigilance for workers' concerns, defense against the exploitation that has come to be talked about in the course of shaping the new economic face of Poland.

Why doesn't the party speak out officially about the terrifying runaway fluctuation in prices, intensifying injustice, social stratification manifested in pay rates that are an insult to workers? This is a job for the party in transformation.

"Obviously," says Czeslaw Staszewski, "our situation among our coworkers is different now, there are different ways of operating, but we will not relinquish our functions as monitors and inspiration on behalf of human labor. Perhaps leaving the factories will turn out to be a fact; our political partners have no lack of such ambitions and tendencies in new legislation. Then we will form legal party clubs off the job, we will be there together, bonded by the common goals of labor. But let us not give up without a fight the positions we have won through many years' labor..."

The Local Committee at the Era works lodged an emphatic protest—as it was called—with the voivodship board against the structural changes that threaten the party's position in the workplace. For a large part, it is a

repetition of opinions expressed to the Voivodship Committee previously, after the Local's legislative conference.

Portions of PZPR '8 July Initiative' Position Published

90EP0004A Warsaw TRYBUNA LUDU in Polish
9-10 Sep 89 p 3

[Article by (p): "Meeting at Warsaw University: 'The 8 July Initiative'"]

[Text] Two months ago, a movement started within the party organization at Warsaw University. It took the name "The July 8 Initiative" because it was inaugurated on that day (already reported by TRYBUNA LUDU). This movement, by nature a vehicle for interinstitutional party understanding, desires to prepare its own position on what the leftist party in Poland should be like.

The members of this movement met again on Friday, 8 September, at Warsaw University, to consider a plan of action and an attempt to concretize its platform; this time, the group was more broadly based, with representatives from various party organizations in Warsaw, Krakow, Katowice, Czestochowa, and other cities participating. Among the attendees were invited guests and party operatives, including Slawomir Wiatr, Secretary of the Central Committee of the PZPR, who informed the assembly on the short-range intentions of the Central Committee regarding preparations for the 11th PZPR Congress.

We obtained, from the organizers of the meeting, the position paper they adopted, excerpts from which we present here:

Of the issues facing Poland today, we consider the most important to be the creation of the political conditions for the permanent formation of a broad coalition of proreform forces.

The decisive factors in the struggle for a just and democratic social order will be the nature of the new leftist party and its ability to earn the support of society and to establish bonds with other reform forces. The new party must prepare to be active within the framework of a multiparty political system and a parliamentary democracy based on free elections.

A party capable of this kind of activity has yet to be built, but it must. The road to it leads through the 11th PZPR Congress.

We declare ourselves in favor of holding the convention no later than the end of 1989.

We declare ourselves in favor of a radically new, democratic election of delegates to the convention that will guarantee direct and numerically representative elections.

Frasyniuk Equates Solidarity Role to That of Unions in West

90EP0039A Warsaw ITD in Polish
No 37, 10 Sep 89 pp 14-15

[Interview with Wladyslaw Frasyniuk, chairman, Dolny Slask Voivodship Executive Committee of Solidarity, by Mariusz Urbanek: "Professional Driver"; date and place not given]

[Text] [ITD] In June and July, when so much was happening in Poland, you would take to the streets of Wroclaw by MPK [Municipal Transportation Enterprise] bus every day. Was this out of economic necessity or a kind of demonstration or simply the integrity of a workers' leader of a workers' union?

[Frasyniuk] A little of everything. Common decency, an attempt to prove to myself that I can return to my occupation at any time and finally, the desire to take advantage of the law allowing everyone who was fired from various work establishments during martial law to return to work. It would be a sad case if this legislation were to become a dead act. After all, we fought for it for 7 years.

[ITD] Have you returned behind the steering wheel for long?

[Frasyniuk] I have now been formally delegated to work in the Regional Executive Committee of Solidarity.

[ITD] And why didn't you want to become either a deputy or senator?

[Frasyniuk] The situation is such that in continuing to be the country's largest antitotalitarian political force, Solidarity must combine the role of trade union and social movement, although, it does not have aspirations of becoming a political party. However, I believe that today, after 7 years, a distinction had to be made, within the scope of the normal conditions of legal activity, between those who will take responsibility for the so-called political superstructure and those who will try to rebuild a sound and efficient trade union.

[ITD] Strong and efficient—which means...?

[Frasyniuk] This means a modern trade union according to the formula which has proven itself in the West, in countries with an economic situation similar to our own; in countries where unions have succeeded in leading society out of poverty into prosperity. For example, Italy has become a fifth world power within a matter of 5 years. We want to be a union that manages in the workplace and participates in everything that is happening in the country and this means that it takes coresponsibility for this. We must be a union that defends the people, that fights for just wages but at the same time, one that cares about a work establishment's profitability, its modernization, investments, equipment and machinery outfitting, proper job placement so that work tasks are managed by professionals and not by

representatives of the nomenclature. In the situation in which we find ourselves, a trade union must concern itself with economic reform issues because these affect enterprises and their workers to the greatest extent.

[ITD] By taking on such renovation of the republic, by assuming coresponsibility for its state of insolvency and by choosing a "lesser evil" in the form of Gen Jaruzelski, Solidarity places all of its authority on the line whereas the OPZZ [Trade Unions] tries to trip Solidarity by assuming solely a position of demands.

[Frasyniuk] Solidarity is a union which was never afraid of responsibility or risk. Indeed, by taking on responsibility for this 19th century economy, total economic chaos and an unclear political situation, we risk a great deal. The authorities know this and so does the OPZZ trying to again push us into a position of a controversial union by imposing a confrontation of demands. In such a situation it is easy to provoke a huge outburst of social discontent following which the party forces could yell out that democratic reforms cannot be introduced in such a society and that strong rule is necessary. This is not a solution and that is why we must sometimes defend unpopular decisions. The political and economic system has gone bankrupt and this country is, indeed, impoverished. For this reason, it is better for the union to strike not for a 70,000 zloty increase but for better work organization or a change in the tax system. However, before everyone understands this, Solidarity will pay for this with its authority which it has gained over the last 9 years. Just as it will pay for the personal decision of a few deputies and senators who helped elect Jaruzelski president. I feel this was a mistake.

[ITD] Why?

[Frasyniuk] We have gained nothing as a result of it. In my opinion, the opposition should have brought about a presidential crisis and as a result, political talks that would create new and better groundwork for dialogue for Solidarity and for the reform forces in the PZPR. We have lost this chance, the consequence of which was the election of Rakowski as first secretary and Kiszczak, the third architect of martial law, as premier.

[ITD] Now, it's the politician in you speaking and not the union activist.

[Frasyniuk] For years, we have been told that we can think in political terms only in the party and not in social organizations or in trade unions. In many countries, unions are so powerful that they are one of the leading political forces as in Sweden, Argentina or in the United States until the 1960's. I would like to work in a union powerful enough to codecide about all matters also of importance to the country.

[ITD] Does this mean that in the coming election campaign, besides candidates promoted by opposition political parties, which must surely come to be, candidates from the Solidarity trade union will also be on the ballot?

[Frasyniuk] A campaign such as this year's will undoubtedly never repeat itself and I doubt whether the Solidarity trade union would take part in it under its own banner, although, without a doubt members belonging to various parties will take part in it. After all, Solidarity's struggle from the very beginning was for normal conditions for social and political activity of the people. In 1980, it assembled people from the independence and union movement and now the time has come for everyone to do what interests him more.

[ITD] Do the differences between them, the lines of demarcation between the political and the union trend in Solidarity run like other lines of separation between the blue-collar and white-collar workers in the union?

[Frasyniuk] Solidarity's great success achieved in August 1980 was the integration of all spheres and the breaking of barriers between the blue-collar and the white-collar class. From that time on, we in Solidarity speak of workers communities because in essence a professor's work is just as underrated as that of a metalworker in a factory. Both are hired, wage-earning employees who are taken advantage of in the same way and robbed in the same manner.

[ITD] And yet, in the conflict about citizens committees, on the one side there was the intelligentsia which formed these committees and on the other, there were the workers, Lech Walesa, you.

[Frasyniuk] I believe that the conflict with regard to Solidarity's citizens committees was a vicarious conflict. This was not a dispute between workers and the intelligentsia but a dispute about the methods of action. The committees were created for the purpose of relieving the union of the necessity of conducting an elections campaign and they fulfilled this task very well. However, letting them [committees] continue was intended as an attempt on the part of the upper echelons at initiating a social movement and perhaps even a Solidarity party. Our opposition was not caused by a desire to thwart this initiative which arose during the elections campaign but because the name of Solidarity was being abused. Things cannot be such that the holder of a name is suddenly surprised that his shield, which has already become a symbol, is being taken away from him. The Solidarity trade union has quite a lot to do yet in this country to be able to afford the loss of its identity. The people must know where Solidarity still exists and where it no longer does.

[ITD] In 1982, a few months before being arrested and receiving a 6-and-1/2-year jail sentence, you stated in the underground publication, KONSPIR: "...there have been so many national uprisings in Poland; so many unsuccessful, provoked and unprepared ones that we should, I would think, put them out of our heads once and for all." Has nothing changed since that time?

[Frasyniuk] The last 7 years have proven that we are not at all a nation of insurgents who ignite as quickly as straw and burn out just as quickly. We are a nation of sensible,

and in addition, patient people who think in political terms of responsibility for the nation.

[ITD] And this is good?

[Frasyniuk] I believe it is good. The example of Solidarity has demonstrated that in the system in which we have come to live, a difficult road leads to success—a road that can be conquered by only the most persevering. I think that a decided majority of the public has adopted this philosophy of action. This was demonstrated if only by the reaction of people to the most recent, abrupt price increases—a reaction that was very sensible, toned down and yet, let us admit frankly, that all the work establishments in our country, all professional groups have enough cause to immediately, starting tomorrow, take part in a general strike demanding 100 percent wage increases.

[ITD] Would Solidarity take over the government at that point?

[Frasyniuk] It is not the role of Solidarity to take over the government. However, I think that the rise of an independent government outside of the party, the system and the nomenclature is inevitable—a government of professionals in their field that will be capable of doing away with this entire bureaucratic apparatus that hampers the setting in motion of economic mechanisms. Today, after all, we no longer even have to deal with defending the values of the communist system but only with the all-out protection of our own privileges. And this is always more difficult to overcome than the battle with ideology. I am convinced that such a government will have to be created within a year.

[ITD] At that time, i.e., in 1982, you also stated in KONSPIR that: "I am against improvisation. As a professional driver, I cannot imagine driving an improvised vehicle—with an engine but without brakes or the other way around." Today, do you drive this vehicle because it has both an engine and brakes or because it has neither one nor the other?

[Frasyniuk] I have not as yet gotten out of this vehicle because, although, it is still a prototype with a number of defects and flaws at this point, it, nonetheless has a solid construction. We are on the first trade union in the world that functions in a totalitarian system and one which is trying to transform this system and thus far, knock on wood, we have been successful in doing just that.

[ITD] And what constitutes the driving force in this vehicle today and what the brakes?

[Frasyniuk] Society is the motor—a society tired of waiting whereas the brakes is everything that has occurred in the past 7 years. I do not want to use strong language but this society has been demoralized by poverty. People have learned to snatch whatever they can and however they can from each other at the expense of others. At one time, stronger groups such as miners and metallurgists had not only their own interests in mind

but also spoke up for those who were weaker. Today, this no longer is the case. People strike, put pressure on the director to receive more money but they do this "secretly" without the knowledge of their colleagues from the other side of the fence. It has come to the erosion of Solidarity's fundamental values.

[ITD] So this is the kind of lack of solidarity in Solidarity?

[Frasyniuk] This deviation is a result of martial law. People have been made to believe that it does not pay to join those who are weaker because, after all, only those who stomp their feet louder will get paid.

[ITD] Is there a remedy for this?

[Frasyniuk] Until we will be able to break the apathy and indifference that is prevalent in our society, Solidarity will remain weak and the people divided. We all need success and this success does exist but we are unable to rejoice in it today. Poland's entire history and recent years have made us to believe that success can only mean 100 percent independence and a 10 million member strong union. Currently, we have neither a 10 million member union nor full independence but we have, after all, achieved success. We are in a position about which we could only dream not too long ago. We have achieved this without bloodshed as had been the case so often throughout our history. We have a chance, a really big chance.

[ITD] Everything is being evaluated in terms of percentages in Poland these days. We have a 35 percent democracy, 80 percent indexation and 500 percent inflation. What percent chance do we have?

[Frasyniuk] I am convinced that the processes occurring today in Poland, in the USSR, in Hungary can no longer be reversed. Attempts will, undoubtedly, be made at impeding, putting a spoke in our wheel but I believe this is no longer a matter of percentages but only time.

'Radio Solidarity' Programming Aims Described

90EP0045A Warsaw *TYGODNIK SOLIDARNOSC*
in Polish No 16, 15 Sep 89 p 15

[Interview with Wojciech Stawiszynski and Janusz Radziejowski of Radio Solidarity, by Jolanta Koral: "Regional Radio 'S'"; date and place not given]

[Text] [TYGODNIK SOLIDARNOSC] Will there be another Radio Solidarity?

[Radio Solidarity] Complete and independent information still does not exist, because it is difficult to label those dozen or several dozen minutes on radio and television as access to the mass media. In general, one can't talk about the large-scale nature of radio, since each broadcast is transmitted on a different wave and at various hours. This situation will obviously change any moment the Radio Committee becomes a state institution, objectively presenting the interests of individual

groups in the Sejm. But we want to operate outside the framework of any state institutions whatever, to be independent and self-supporting.

[TYGODNIK SOLIDARNOSC] Would the radio operate within the union structures?

[Radio Solidarity] Yes, under the guardianship of the union, as during the conspiracy. Presently, we represent the Mazowsze Region Radio Solidarity's Organization Committee, which was created on July 1 by the authority of Zbyszek Bujak. Maybe later we would be transformed into a partnership, in which the RKW [Regional Executive Committee] would have its own shares, since the partnership formula would facilitate our financial activity. Obviously, we are not preparing only for business, but still, financial independence also means program independence. So far—for seven years—we have received financial help from the region. However, we already have our own funds, and have quietly organized some contacts with people in the West. All this will enable us, to start with, to outfit our own radio station, and acquire the necessary equipment. However, we must first obtain a license for frequency and antenna time from the Communications Ministry—we have already submitted a proposal. We would like to transmit on UKF waves and at the most attractive hours, in order to have many listeners.

[TYGODNIK SOLIDARNOSC] Do you already have program ideas?

[Radio Solidarity] In very general outlines. We are intent on preserving the continuity of the 7-year tradition of underground radio, which so many people remember. Our old sound signal, "Siekiera, motyka" [the first words of popular World War II underground resistance song], will also remind people of what we were and what we want to be. We want to be regional, local radio, informing about what's happening in the region, and showing local, independent initiatives. The most important part of the program will surely be the national and world information service, which the people lack. We would transmit it several times a day. We have already obtained a promise from the chief of the Polish section of the BBC, which would prepare this service for us. This obviously requires a censorship license, as well as a license to transmit a live broadcast.

We will have commentaries, journalistic reporting, and professional instruction programs, including, for example, legal advice concerning occupational problems, etc. There will also be advertising, which will allow us to cover expenses. We also have a program group, which will develop our ideas in greater detail. We can generally describe them with the motto: "More information than propaganda."

[TYGODNIK SOLIDARNOSC] Thank you, we wish you success.

ROMANIA

'Negative Phenomena' in Socialism Discussed

90EB0043A Bucharest ROMANIA LITERARA
in Romanian 21 Sep 89 p 3

[Article by Petru Pinzaru: "The Meaning of History"]

[Text] History has many facets and meanings. One of them is factual and concerns events. Another refers to the act of recording and interpreting history-making events. This latter can proceed either in a spirit of scientific objectivity and faithfulness to the superior values promoted by social, class, and national forces bearers of contemporary social progress, or, on the contrary, in a nonscientific manner, in line with conservative ideological and political concepts and reformist or even reactionary ideas. And finally, there exists a philosophical-sociological and political perspective of the meaning of history. That is expressed through generalized reflection on the moving forces and pace of social progress, concerning the requirements of the objective law of historical development and the capability of subjective—primarily political and organizational—factors to give them free rein, and to preclude and avoid involutions and backslides overtly and clearly caused by forces opposed to mankind's progress.

It is no secret to anyone that the socioeconomic, political, diplomatic, military, ideological, cultural, and psychosocial picture of the contemporary world is extremely complex and is affected by increasingly more rapid changes. Metaphorically speaking, it is a "surrealist" picture subjected to the whims of kinetic art. That, however, does not in the least mean that the picture cannot be understood, that the complexity and dynamics of the contradictory changes occurring cannot be mastered, and that history, scientifically interpreted as the logical succession from one socioeconomic system to the next, does not make sense in its evolution, that sense being the inexorable transition from one social system to the following, superior one, or that the "arrow of historical time" did not point to the future, but to the past.

It would be difficult, if not impossible for anyone to deny that the most important political, socioeconomic, and cultural "historical displacement" of the 20th century was the victory of socialist revolutions in many countries, the emergence and final assertion on the stage of history of completely new, socialist states, based on a new historical type of political power, on collective ownership of the means of production, on democratic, popular social relations and institutions, and on a system of values superior in its humanitarian contents and objectives. This "historical displacement" essentially confirmed the correctness of the principles of scientific socialism concerning the objective need for and the possibility of effecting, through revolution, the transition from capitalism to socialism, and the fact that the new society was brought into being not by purely ideological or sentimental factors or considerations, but by the objective laws of social succession, by the dialectical laws

of progress from inferior to superior, and by the governing laws of social progress.

Clear thinking and honesty will compel anyone to admit the objective truth, based not on theoretical verbal arguments, but on significant and irreversible facts, that the new, socialist society, although historically very young, has not only withstood and successfully overcome many and difficult tests of viability and legitimacy in the past 70 years—despite the adversities, vicissitudes, and difficulties encountered—but has also proven its superiority by the fact that for the first time in history it brought the working class and its allies to power, established socialist ownership of the means of production—thus abolishing man's exploitation by man—rapidly developed the production forces, liberated and activated the creative energies of the working masses, and ensured the latter's unrestricted access to national and international science, culture, and art, while simultaneously raising the material and cultural living standard of the respective nations.

Socialism does not represent itself as a finite, perfect society, but as a society in the process of becoming, given to continual improvement, but that through its own economic, political, and ideological bases and on the basis of the fundamental principles of scientific socialism. There are, however, qualitative differences of principle and purpose between the often severe critical (self-critical) analyses carried out by the political leaders of the socialist countries for the purpose of eliminating shortcomings, mistakes, and difficulties—analyses conceived as a means of self-regulation and self-improvement of the socialist social system—and denigrating "criticism" leveled from anticommunist positions, designed to destabilize socialism and even to return to the old systems. Shortcomings and failings, difficulties and problems encountered in a given socialist country at a given time never were and are not an indication of "too much socialism," but on the contrary, of disregard for some of its fundamental principles, of not solving certain contradictions in time, and of not creatively applying the general laws of building socialism. Consequently, as our party secretary general, Comrade Nicolae Ceausescu firmly stressed, the development of socialism, a conscious and novel historic work, cannot be left up to chance; improving socialist construction, implementing the principles of democracy, self-administration, and self-management must lead not to weakening or diminishing the role of socialist ownership, but to strengthening it. Any improvement in the economic, political, and ideological principles of social life must lead to the socialist development of society. It must not in any way pave the way for capitalist forms of economic, social, and cultural life, which can only delay the full assertion of the originality and historic superiority of socialism.

Our party views the new system not from the angle of a smug understanding of the processes occurring in socialist society, but as a live organism that is developing, is continuously raising problems, and that is also

encountering difficulties, some of them stemming from its historical youth and from the reality of a world in full process of revolutionary change. When negative phenomena appear under socialism, they do not stem from the nature of this qualitatively superior system, as anti-communist ideology states. "It was not socialism," Comrade Nicolae Ceausescu said, "that led to negative situations in certain countries, but the violation of the scientific principles of socialism, disregard for objective laws and, primarily, for the need to continuously develop the forces of production—the decisive revolutionary factor for building socialism, as for any other society."

Our party has emphasized that it is not possible to leave social development up to chance and that improving socialism and implementing the requirements of its objective laws must lead not to diminishing, but to strengthening the role of the single national plan and of socialist ownership, not to atrophied state functions, but to fully asserting those functions in conditions of broad socialist democracy and mass social control, not to

diminishing the role of the working class and the party and that of party leadership of all the sectors of activity, but to continuously enhancing this role, without which socialism and communism cannot be successfully built.

Objective judgment based on real data and events and on historical sense leads to the conclusion that socialism has indeed ensured incomparably better working, living, and education conditions than the old system for the masses of working people, and that socialism has raised the workers' class and all working people to the dignified status of masters of their own fate, and the nation to the rank of a free, independent, and sovereign nation, builder of a progressive civilization and culture that only a communist system could have created and established by virtue of the inexorable laws of progress, which shows that the "arrow of time" points toward the socialist and communist societies, built by every nation in full accordance with its specific national and cultural characteristics and in conditions of complete autonomy, sovereignty, and political and moral responsibility.

CZECHOSLOVAKIA

Agricultural Efficiency Compared to FRG's

24000174d Prague HOSPODARSKE NOVINY in Czech
No 31, 1989 pp 8-9

[Article by Eng Jaroslav Lekes, Dr Sc, Corresponding Member of the Czechoslovak Academy of Sciences and director of the Grain Research and Improvement Institute, Kromeriz: "A Comparison Is Actually Not Too Flattering"]

[Text] For the past 20 years grain cultivation has been the most advanced branch of Czechoslovak agriculture. It has successfully performed the key task of achieving self-sufficiency in the production and consumption of grain. In the following article the author deals with its current status and a comparison with the FRG.

In the 1970's and the beginning of the 1980's we had to import a considerable quantity of grain in order to ensure the production of meat at level which was much lower at that time. In comparison with the prewar situation, there have been basic quantitative and qualitative changes in our grain cultivation. These are characterized in particular by a marked decline in the planted areas, important changes in the makeup of the types of grain, a large increase in the harvests and the overall production, and different utilization of it.

Growing Harvests

Before the Second World War grain was cultivated on an average of 3.37 million hectares, that is, 60.4 percent of the arable land. With time, however, there has been a gradual decline in the area down to 2.5 million hectares, that is, 52.4 percent of the arable land. In contrast to this, the intensity of harvest has gradually grown from the average of 1.67 tons per hectare to the current 4.6 tons per hectare (the average for 1986 to 1988). Even despite the decrease in area harvested by 26 percent the overall production more than doubled.

In the years 1920 to 1938 the average growth in harvests from year to year was only 12.5 kg per hectare. In contrast to this, it has reached 101 kg per hectare since 1966. If we take the average level of grain production for the years 1934 to 1938 as an index of 100 percent, then the comparison with the average for 1986 to 1988 is as follows: harvested area 74 percent, harvest 275 percent, and overall production 204 percent. Today the CSSR is one of the countries with the greatest intensity of grain production in the world, even though it is accomplished under complicated production conditions (see table).

The bulk of the grain production is used for feed purposes (about 70 percent). In the years 1934 to 1938 the annual per capital consumption of meat was about 31 kg. Currently the annual consumption is about 90 kg of meat, with grain being the main feed source in its production. In the prewar period the greater part of the

grain production was used as foodstuffs (44 percent), but now it is only 25 percent of the overall production.

At the current intensity of cultivation the prewar harvested area would produce 15 to 16 million tons of grain and at the prewar consumption of meat we would be able to export 8 to 9 million tons. This amounts to a value of roughly 1.2 to 1.35 billion dollars on the international grain markets (at 150 dollars per ton).

A constantly more determining factor which affects grain production and makes implacable demands from year to year is the consumption of meat. This has a rapidly growing tendency from year to year. Only price increases in 1982 temporarily stopped this growth, and even led to a slight decrease in consumption, but in the following period the growing developmental trend is continuing.

Despite the long-lasting stagnation in harvests, since 1966 there has been a gradual increase in intensity with a lasting tendency. There could therefore also be a significant decrease in grain imports, which in 1964 amounted to 2.3 million tons. In 1981 it was still 1.35 million tons and since that time imports have gradually decreased significantly.

On the other hand, grain exports (barley in the form of malt) are maintaining a relatively stable level and for the long term there will not be any growth in them. This is not a favorable trend for the Czechoslovak economy with the relatively high prices for malt in comparison with all other types of grain. The main reasons has been the limiting capacity of our malt works up until this time. For the first time in the history of our grain industry, in 1986 the level of imports was lower than the level of exports (roughly +50,000 tons).

Growing Meat Consumption

The consumption of meat is growing more and more despite numerous health recommendations, more than the various national economic regulations predict in their plans. In the CSSR the average consumption is 50 percent pork and only 33 percent beef. In the neighboring FRG it is even 60 percent pork and 23 percent beef. It is not within the current capabilities of our economy to change this relationship in the foreseeable future in favor of the more recommended beef, even when it obviously offers a relatively cheap source of feed (1.5 million hectares of mainly extensive meadows and pastures).

Depending on its makeup by type, each kilogram of meat consumed under our conditions equals 55,000 to 60,000 tons of grain in the nationwide feed account. The demands therefore grow from year to year on the need for and adequate production of grain. The solution is proposed theoretically in several alternatives:

—Stopping the growth in meat consumption or trying for holding it level or even reducing it to a certain degree. This solution, even though it would make

things somewhat easier for the national economy, is not, however, acceptable for the social policies of our country.

- Even though it is a complex alternative under the current economic conditions, there could be imports of grain, mainly from the capitalist countries, but also perhaps from Hungary which in its current economic situation is selling it for convertible currency. The importation of grain would make the deficit in the balance of payments even worse, especially with the most advanced capitalist countries.

In the present situation of the Czechoslovak economy the only realistic solution is therefore taking control of the domestic production and consumption resources. This is mainly a matter of even more rapid and significant increases in the overall production of grain. The national economic directives proclaim the solution to be exclusively through intensification of production. For its more rapid increase, however, the industrial branches involved are not creating the appropriate quantities, quality, or variety of resources. But without them it is not possible to successfully ensure the production of grain and particularly its higher stable level. In the future great risks can also show up in years with less favorable weather conditions. In addition, the production of grain must be carried out on continually significantly less sown area. Since 1973 the area of grain (2.752 million hectares) has gradually declined to the current 2.478 million hectares. Successful achievement of self-sufficiency each year requires a harvested area of roughly 2.55 to 2.60 million hectares with the current resources and level of production.

- Another, variant idea is seen by some experts to be increasing the cattle status by changes in the makeup of crops on the tilled land. Through the cattle there would be an increase in the production of cow manure and its adequately effective application is supposed to lead to an increase in soil fertility and a subsequent considerable growth in the harvest of the entire plant production. This variation, which is costly in terms of investment input, would presuppose an expansion of fodder plants for a number of years on the tilled ground of 25 percent with a significant increase in the intensification of grasslands, which is about 37 percent of the agricultural land.

- Some ideas, for example, from the Forecasting Institute of the CSAV [Czechoslovak Academy of Sciences], go to extremes from the standpoint of reducing the harvested areas of grain by 2010 to 0.750 to 1 million hectares, that is, to 30 to 40 percent of the current area with a predicted nationwide need for 7 to 8 million tons of grain. These proposals start with the idea that on roughly one-third of the economic area there is no support for basic agrotechnology because the technology of cultivation of varieties has not been maintained. As a consequence of this and also due to excessive losses in harvesting and storing and high consumption of fodder, according to these ideas the

grain yield will drop by roughly 0.5 ton per hectare. This alternative sees the path to a solution in restructuring the economic mechanism, in changing the structure of the agricultural and foodstuffs complex, and in rationalizing livestock production.

In an objective evaluation of the level and quality of the factors which could determine the intensity of grain production in the period of the next 5 to 10 years, it is difficult to image that during that short period there could be significant changes in the quantity and quality of the decisive inputs. There might be partial improvements, but particularly in the chemical industry and engineering there will not be such qualitatively improving changes that would compare with the level of those inputs which, for example, the West European farmers will have in 5 to 10 years.

It is possible to predict that the consumption of meat will grow in the immediate future as well, since the foodstuffs industry itself and its services are not yet equipped materially, technically, or technologically so that they can provide any replacements at the same prices in terms of variety or quality. They would have to be ones which the consumer would accept on a broad scale and would partially reduce the consumption of meat (for example, a wide assortment of various processed, high quality vegetables, dietetic cereal foods, etc.) despite the high level of conservatism in this area.

The Function of Prices

It is therefore necessary realistically to expect further growing pressure for greater grain production. I see satisfying these demands not only by maintaining the current sown area but, as I have already stated, also by a certain increase in area to at least 2.55 to 2.60 million hectares. This key branch cannot annually ensure the production "once and for all," since it must reckon with certain reserves with regard to years with unfavorable weather conditions.

There must be more emphasis on production itself and on more effective utilization of agrobiological factors as the least expensive and most accessible ones.

It is also necessary to increase significantly the technological and nutritional values of the produce harvested in accordance with the way it is used. It is necessary to devote more attention to rationalization of feeding livestock with grain, where there are still considerable reserves.

In the majority of the agricultural enterprises the production of grain under our conditions determines the level of the enterprise's entire economy. It is therefore necessary to begin to pay more attention to the economics of grain production both from the standpoint of the individual types and of the quality. In connection with the priority of social needs for maximum production, this has for a long time unjustifiably been a secondary matter both in production and in purchasing and processing. The actual costs for the production of one

ton of grain according to the Agricultural and Foodstuffs Economy Research Institute (637 enterprises and an average for 1977 to 1986) were as follows: Kcs 1,633 for corn, Kcs 1,557 for rye, Kcs 1,495 for oats, Kcs 1,277 for wheat, and Kcs 1,215 for barley.

Starting with this year's harvest the price levels and their relationships are expressed to the benefit of foodstuffs grains of all types. The sale of high quality malting barley and also to some degree rye will obviously be no problem for the next few years because of long-term shortages in them. All sales of foodstuffs wheat will not, however, be so unambiguous, especially in years favorable for its production. This is borne out not only by the long-term situation itself, but also by the new purchase prices. For example, for malting barley the prices rose for this year's harvest by Kcs 1,300 (to 3,600 korunas) and for rye it went up by Kcs 1,150 (to Kcs 2,750). On the other hand, industrial wheat went up only by Kcs 150 (to Kcs 1,750) and winter feed barley by Kcs 50 (to Kcs 1,650).

It is necessary to start with the fact that the prices will change, that here there be full application of the law of supply and demand, and that the appropriate organizations will try to hold the prices down in purchasing high quality classes.

Eng K. Burianova, CSc, of the CSAV Forecasting Institute in her article "Not Too Flattering a Comparison" (HOSPODARSKE NOVINY No 5, 1989) compares, among other things, the production of grain here and in the FRG. It can be seen from the article that the Czechoslovak grain producer is in an unenviable situation even though the other branches of our crop production are evaluated even more critically. Judging the objectivity of such statements requires a nonpartisan analysis of the entire complex of economic production factors which affect grain cultivation in both countries.

An Unsuitable Yardstick

From the author's comparison of almost 40 years of development (1951 to 1988) in the growth of grain harvests in both countries it can be seen that the Czechoslovak grain industry as a consequence of a number of objective production reasons never achieved the same intensity as the same field in the FRG.

However, in the CSSR from 1951 to 1981 harvests rose by 2.46 tons per hectare, that is by 133 percent, and the growth to the years 1986 to 1988 was 2.75 tons per hectare, that is by 149 percent. In the FRG these growth figures for the same period amount to 2.32 tons per hectare in the years 1981 to 1985, that is 91 percent, and in the years 1986 to 1988 2.84 tons per hectare, that is 111 percent. The results of our grain industry in the last 3 years were negatively affected by the poor harvest in 1986. The growth in harvest intensity and the rate of growth in harvests here on the long-term scale are slightly higher in comparison with the FRG. The climatic conditions in the FRG are much more favorable for the production of grain.

Contemporary modern agricultural production gets 60 percent and more of its input from other branches of the national economy. The most important ones are engineering, automotive, tractor, energy, and, in the more advanced countries also the electronics, industries and the most valuable products (industrial fertilizers and pesticides) from the chemical industry. The extent, quality, and variety of those inputs affect in a decisive manner the level and amount of intensification, quality, and economy of agricultural production.

There are significant dispositional differences between grain production in the CSSR and the FRG with are unfavorable for our farmers in the quantity, quality, and assortment of the basic material and technical industrial inputs necessary for intensification and effective support of grain production.

One of the decisive inputs is the industrial fertilizers put into the soil. In the CSSR in the years 1981 to 1985 there was an average of 362 kg of industrial fertilizers (NPK) applied per hectare of arable land. In the FRG it amounted to 437 kg in the same period, that is, 75 kg per hectare more. It follows from this that the CSSR produced 12 kg of grain per 1 kg of NPK put into the tilled soil and in the FRG it was only 11.1 kg of grain.

Another important and irreplaceable input is the application of pesticides, particularly selective ones.

In the FRG substantially all the necessary areas of grain cultivation are treated with the appropriate pesticides. In the CSSR this amounts to only about 70 percent for herbicides and roughly 55 percent for fungicides despite the fact that in the same growing year it provides a pay back of Kcs 4 to 6 per koruna invested in it. On the average over a period of years all corn areas are treated with herbicides in the FRG and about 80 to 90 percent of the other grains. Current costs for the pesticide consumption in West German agricultural are about DM 1.5 billion annually.

However, this is just a relative comparison. A more detailed analysis of the level of pesticides comes out much more unfavorably against Czechoslovak agriculture. Due to the not insignificant technical obsolescence of the Czechoslovak agrochemical industry, our agriculture does not have available even one modern selective and effective pesticide of domestic manufacture. These are imported under constantly more demanding conditions of foreign currency exchange, universally from capitalist countries (predominantly from the European Common Market), or are completed by production in the CSSR from active components imported from those countries on the basis or licensing or other trade agreements. To a great extent this is done right in several JZDs, a number of which also produce some new pesticides from domestic raw materials.

There is also a special question of the method of distributing pesticides because so far they are not the subject of

supplier-user relationships between the agricultural enterprises and the Agricultural Supply and Purchasing enterprise.

Another important factor in which the Czechoslovak farmer is likewise at a great disadvantage in cultivating grain as compared with the West German farmer is the complex of basic agricultural equipment. This is equipment for plowing and working the land, sowing equipment, industrial fertilizer and pesticide application equipment up through very high performance harvesting equipment.

For example, Czechoslovak plows are made of low quality steel and are also of worse design and use up more energy. Contemporary modern application equipment for industrial fertilizers and pesticides, today with electronic controls, is universally of foreign manufacture (the FRG, Belgium, France, Italy, etc.). In the CSSR the predominate applications equipment has many shortcomings (even though in isolated cases, for example, in Agropodnik Gottwaldov, they are beginning to manufacture modern equipment as well under licensing) and therefore in practice we run into great problems in using pesticides. Numerous test and operational results show that as a function of optimal and good quality application the effectiveness of pesticides fluctuates between 35 to 70 percent.

The situation is similar for artificial fertilizer spreaders and, as is well known, artificial fertilizers are the most expensive additions usually applied to the soil. The sowing machines regularly used by the West German farmers are controlled by microcomputer electronics and other ingenious mechanisms which ensure precision sowing and are among the best in the world. In contrast to this, the sowing equipment used on a broad scale in the CSSR is at the level of the 1960's from the standpoint of a functional comparison of equipment and the quality of work and does not meet even one of the basic requirements for optimal sowing.

The farmers are also trying to resolve this unhappy situation through their own efforts. For example, JZD Hlohovec has started to produce the very high performance Akord model sowing machine out of original functional components from the manufacturer in the FRG.

Countries With the Highest Intensity of Production of the Basic Grains, Including Corn (Average for 1983 to 1987)

Country	Area (Millions of Hectares)	Yield (Tons/Hectares)	Production (Millions of Tons)
Netherlands	0.190	6.70	1.230
Great Britain	3.990	5.84	23.302
Belgium	0.380	5.79	2.150
France	9.310	5.56	51.640
Ireland	0.380	5.33	2.090

Countries With the Highest Intensity of Production of the Basic Grains, Including Corn (Average for 1983 to 1987) (Continued)

Country	Area (Millions of Hectares)	Yield (Tons/Hectares)	Production (Millions of Tons)
FRG	4.760	5.11	24.370
Switzerland	0.160	5.10	0.820
Hungary	2.860	5.01	14.290
Austria	1.020	4.98	5.060
Denmark	1.620	4.78	7.780
CSSR	2.510	4.58	11.590
USA	59.450	4.47	266.000
GDR	2.490	4.46	11.120
Sweden	1.410	4.02	5.680
Bulgaria	1.980	3.71	7.340

Binding Equipment

The final stage of the entire technical process of cultivating grain should be a harvest without any losses. In our grain industry the today already legendary harvesting machines SK-3 and SK-4 of Soviet production placed a decisive role up until the middle of the 1970's. Because of their simplicity, easy handling, and throughput of 4 kg of material per second under complicated conditions they were suitable for yields of up to 3 to 3.5 tons per hectare. In the 1980's they have generally been replaced by harvesting threshing machines model E 517 from the GDR whose throughput is 6 kg of material per second and lately by the E 517 model with a throughput of 10.5 kg per second. For average yields in the range of 5.5 to 6.3 tons per hectare and above, and there are more than 500 enterprises with such grain production, high performance threshing machines are required, however, for harvesting without any losses. In the FRG such equipment achieves a throughput of 12 to 14 kg of material per second and there is one thresher per 30 hectares (in the CSSR it is about one per 115 hectares).

Under our conditions the following declines in yields can occur due to deficiencies in the quality or incorrect performance, or the total absence of, necessary applications in decisive inputs or technological procedures:

Type of Operation	Decline in Yields in Percentages
1. Poor-quality plowing for seeding or plowing for seeding too late	10-15
2. Poor-quality sowing due to design and technically obsolete sowing equipment and poor preparation of the soil for sowing	5-10

3. Necessary application of the appropriate pesticide not performed	5-15
4. A reduction in the effectiveness of the pesticide due to technical shortcomings in the application equipment	5-10
5. Losses in harvesting with equipment with a low threshing capacity	5-10

From the above data it can be seen that the Czechoslovak farmer in general is trying to produce grain in climatic and soil conditions which are less favorable and with a worse level in all the basic inputs. If he had available for his selection in producing grain the same inventory of basic intensification inputs as the West German farmer has, then he would be able in 2 or 3 years to actually increase the production of grain on the average by 0.5 to 0.6 tons from every hectare.

In order for us to reach a level comparable with the West German agriculture in crop production and particularly in cultivating grain, we need first of all to make a more effective start than we have so far in the pertinent industrial branches in solving the chronic and steadily worsening shortages in the quality and quantity of agrochemical and technical inputs.

We cannot also fail to see, however, that despite the great growth in the intensity of grain production as a whole there are still great and unjustifiable differences in the level between not only individual agricultural enterprises, but also between entire okreses and even krajs. There still exist considerable reserves in the timeframe and quality of the partial technological operations which make an important difference in the amount and quality of the yield. Effective utilization of the agrobiological givens to benefit the necessary production is always the cheapest and most effective production factor.

HUNGARY

Medgyessy Explains External Economic Mechanisms

25000474 Budapest FIGYELO in Hungarian
21 Sep 89 pp 1, 5

[Interview with Deputy Prime Minister Peter Medgyessy by Robert Becsky: "This Was the Last Refuge"; date and place not given]

[Text] A radical change in the external economic mechanism is an indispensable condition of the evolution of market forces and of a modernized Hungarian economy. This includes drastic changes in our relations with CEMA as well as with developed capitalist countries. But it also includes certain proportional changes in trade with the two groups of countries. Robert Becsky interviewed the deputy prime minister about the results of efforts to achieve a global economic opening.

[FIGYELO] Early this year the government accomplished a partial liberalization of imports. It did so to facilitate the adoption of competitive mechanisms and to enhance the influx of goods and capital, as well as technical knowledge and the skills to do business. What were the results? [Medgyessy] Import liberalization is of decisive significance relative to the enforcement of global economic standards in both the domestic and CEMA markets. I might add here that this is of significance only if import liberalization is accomplished not in a simulated, artificial manner the way it was in 1980, along with a competitive pricing system. In countries with tight domestic markets, imports are best suited to create competition and to exploit the benefits of competition. This applies to both capital and consumer goods markets, and I have in mind the circumstances caused by both our geographic location and our ability to pay. Imports have not shown a sudden increase during the first three quarters of this year. In part, this is a result of the shortage of funds which enterprises complain about, but which is unavoidable in my view. Only in this way were we able to sustain the precept that whoever has forints may effect import purchases within the liberalized category of goods. Import liberalization will continue in the upcoming years. To facilitate planning, I would find it beneficial to announce in advance a 2-year schedule of products whose importation we intend to liberalize. Within total imports, the ratio of liberalized goods could increase from 40 percent to between 80 and 85 percent in two years. And the enterprises involved could prepare themselves for import competition. This measure would increase confidence, would make clear the government's intentions and would improve the ability to look ahead.

[FIGYELO] In addition to the importation of goods, the importation of capital also may play a role in invigorating competition, in accomplishing a global economic opening. The establishment of mixed nationality joint enterprises during the first half of the year appears to prove the presumption that foreigners would want to invest primarily in commerce and in foreign tourism.

[Medgyessy] Capital will flow primarily where profits are. At present this sphere of the Hungarian economy provides fast and easy profits. The question is what conclusion we should draw from this phenomenon. I am strongly opposed to reestablishing the licensing system and to placing certain groups of products on the prohibited list, or perhaps to reducing benefits. As the number of competitors increases, profits will become more moderate also in these areas, and this will channel operating capital to other, export oriented areas without the application of administrative measures. It takes time for these effects to evolve. Corrective actions may take place, but the road does not lead backwards.

[FIGYELO] Not even if economic and political experts advocating the views of various parties regard the attraction of foreign operating capital and the sale of enterprises as selling the country?

[Medgyessy] Some lively discussion concerning these issues developed at one of the government meetings. As the government spokesman reported on this matter, the government finds it necessary to incorporate certain elements which rule out the possibility of squandering state property and of corruption. I regard to the admonitions received from experts in various parties: these are expressly useful. It is yet another matter that some of this criticism originates from the outside. Had we had a coalition government, the weaknesses of the law on transformation would have surfaced already while debating the legislative proposal. I do not believe, however, that many would argue with the need for operating capital. I would add here that operating capital does not constitute primarily a financial advantage. Namely, in the longer term, the interest expenses of consolidated indebtedness are the same as the dividend payments to be made after the operating capital. The latter should be favored however, because of the possibility to instill a higher level production culture and because of a more forceful emergence of a proprietary outlook.

[FIGYELO] Some official views hold that the forint may become a convertible currency by the early or middle 1990's. Do you regard this as a realistic goal in a quasi-market economy intertwined with shortages?

[Medgyessy] No deadlines can be set for the establishment of convertible currency. A currency that can be exchanged at a certain level is much rather the final result of a process. Most countries setting fixed deadlines for convertibility were forced to retract on their plans. For this reason the steps to be taken to achieve various levels of convertibility must be accurately defined. We established an expert working group for this purpose. We have done a few things already in the interest of convertibility. Import liberalization, liberalized rules for the influx of operating capital, the new system by which foreign exchange is provided to the populace, and the way foreign exchange accounts are maintained represent steps toward convertibility, after all. All this will also result in the fulfillment of the market, and the termination of the quasi-market character of the marketplace. But in general, a certain goal can be achieved only after treading a certain path. And one must provide an approximate indication as to the length of time it will take to achieve this goal. I do believe that within three or four years we will be able to achieve a certain degree of convertibility.

[FIGYELO] It is primarily Hungary that must make the opening toward the capitalist market. Our economy may become competitive as a result of such opening. But much depends also on the recipient party. For example: one hears with increasing frequency that certain provisions of last year's agreement with the Common Market—which includes our most important business partners—should be renegotiated. Is there hope for this?

[Medgyessy] The agreement reached with the Common Market represented a breakthrough in 1988. Doubtless, however, viewed in today's perspective, the agreement

does not sufficiently support the opening, and therefore certain provisions of it should be renegotiated. As it is apparent also from the Hungarian proposal published in FIGYELO (FIGYELO No 36, 1986), it is also our view that quantitative restrictions vis-a-vis the pacing provided for in the agreement should be discontinued by 1 January 1990. We would like the Common Market to grant us special, reduced customs duties, we endeavor to reach an agreement with the European Coal and Steel Community, it would be necessary to improve our chances of reaching the market in regard to products subject to self-imposed limitations.

On the other hand, we have economic relations other than with the Common Market. I would distinguish between "recipients" depending on whether we are dealing with politicians, businessmen or state administrations. Politicians appreciate the fact that we have a concept, that we are not seeking aid, and that our needs call for a system of financial and economic relationships which enables us to realize our reform measures. The situation is different in regard to the business community. Sensing political uncertainty the business community adopts a wait and see attitude, or relationships are established only on the basis of a government guaranty, perhaps. And finally, state administrations spell out policy, and correspondingly they are always slower in making a move. The most important forums for having our endeavors accepted are the top level meeting of the 24 nations in October, the September visit of the foreign ministers of Common Market countries to Budapest, and our negotiations with the International Monetary Fund concerning a three year program.

[FIGYELO] Certain opposition groups, such as the Alliance of Free Democrats are of the opinion that there would be hope for easing the debt burden—e.g., by reducing interest payments—if we had a stable government and a stable political situation.

[Medgyessy] The government and the opposition do not argue about the need to avoid a rescheduling of our indebtedness. We need between 3 billion and 4 billion dollars annually to manage our economy. We could not obtain these amounts if we rescheduled our debt payments. In other words: we would not be able to obtain a large enough advantage as a result of rescheduling, to offset the inability to obtain new credits. In addition, rescheduling would also weaken our negotiating position with economic and financial organizations. We need credit and supplemental financial resources to manage our indebtedness and to accomplish economic structural change. For this reason, the Hungarian proposal submitted to the OECD countries considers the Western governments' support of loan requests as indispensable. In our view, these credits may be obtained in this way, without a general relaxation of our debt burden. Incidentally, even a need to reduce the burden of interest payments would be accompanied by a decline in confidence, and therefore it would produce adverse effects. It is again another question whether we could achieve an

internal restructuring of our indebtedness—the prolongation of the time period in which we must effect payments—through our own policies concerning the assumption of credit. Through clever tax management—and we had precedents for this in the past several years—we may even gain respect in the international money market.

[FIGYELO] Hungarian-Soviet economic relations weigh heaviest on the Hungarian economy. Reforming these is perhaps one of the most important conditions for an opening toward the global economy. Chaired by you, a government committee was established for the purpose of modernizing the Hungarian-Soviet cooperative system, and the system by which accounts are settled beginning in 1991. Information leaked thus far concerning the workings of the committee pertains to debate in regard to the method of financial settlement, almost without an exception. Whereas financial settlement would be only the consequence of the entire cooperative mechanism.

[Medgyessy] Nevertheless, the fundamental features of the system gain expression through the method of financial settlement. For example, it is inconceivable to settle trade [transactions] between the two countries in convertible currencies, on the basis of an interstate commitment. But it is true that thus far the dominant part of discussion concerned bilateral settlement. The fact that we cannot simply disregard the short term financial consequences of changing to the new system also played a role, of course.

I would also like to argue with another matter of terminology which creates misunderstanding. Many people nowadays interpret the concept of reorientation as reduced trade with CEMA—and within that with the Soviet Union—and increased trade with the West. I do not use the term “reorientation” in this context. Transferring from one market to the other is not the issue. The term reorientation applies to the system of standards, and manifests itself in internal economic conditions. In other words, the structure and volume of our trade with the Soviet Union would change on the basis of actual world market demand, and this would not rule out a possible reduction in trade volume [with the Soviet Union]. This is not the goal, however. It may be a consequence, although it is not necessarily one of the consequences. At the same time, this system of settlement and this system of relations has been accompanied by a decline in trade for several years already, one that cannot be stopped.

[FIGYELO] It appears that governmental action also reflects the intent to accomplish an actual change in the market.

[Medgyessy] I think that something completely different is at issue. Monetary restrictions produced results consistent with theory, results they were expected to produce in a small open economy: a coercion to exports. On the other hand, restrictive monetary policies cannot be blamed for the fact that from the standpoint of some

enterprises the market in which settlements are made in rubles constitutes the primary channel for making money, particularly not if prompt collections also eliminate some other financial risks. Viewed from this vantage point the twofold devaluation of the forint, just as the forint's appreciation vis-a-vis the ruble, as well as more restrictive export licensing requirements served to correct ratios only. Even this way we did not succeed in fully restoring the balance, because in 1989 a larger than planned convertible currency balance of payment deficit “finances” the ruble surplus—to express this in somewhat simplified terms. In the long term, however, this cannot be in the interest of any enterprise, because it increases pressure at a time when changes in financial settlement techniques actually come about. And at that point the decline in trade volume will be larger than necessary.

[FIGYELO] I would think that the coercion to change standards does not appear with uniform force throughout the Hungarian economy. Even thus far, smaller enterprises did not build their expectations on the Soviet market the way large enterprises did.

[Medgyessy] Unfortunately, the CEMA system based on pricing and on commitments made by states to deliver certain contingents did conserve the Hungarian economy [at a certain level of the state of the art]. On the other hand it is also true that the largest enterprises were oriented toward the CEMA market, these enterprises form the backbone of Hungarian industry. Indeed, small and medium sized plants were more flexible in accomplishing change in the product structure and to enter the convertible currency market. Large industry will not be forced to accomplish needed structural changes as long as the CEMA market provides easier sales opportunities for large industry. One could also say that this was the last refuge [large industry found] to avoid adaptation to more sophisticated domestic demands, not to mention demands established by the capitalist market. In addition, everyone is dissatisfied with the situation, because as a result of the CEMA pricing system the primary income of enterprises must be regrouped from time to time.

[FIGYELO] The largest possible variety of loss values has been prognosticated for the eventuality that we switch to dollar-based settlement in Hungarian-Soviet trade. Estimates range from a few hundred millions of dollars to billions. But someone must pay for this loss, irrespective of its size.

[Medgyessy] It is difficult to tell how large the loss suffered as a result of exchange rate deteriorations and changes in the trade structure will be. This depends on the strength of the dollar. Calculating the effect is even more difficult because the goal, meaning structural change, the ability and the preparedness to adapt cannot be estimated in a figure conveying a static effect. One matter appears as certain: the Soviet Union would gain a few hundred millions of dollars as a result of the transition. For this reason we have a just claim to ask that they

share the income—from our standpoint the loss—with us. It would be inconceivable, for example for us to recognize part of the loss and pay for it, while the partner would provide credit in lieu of another part of the loss, and while they would agree not to demand payment for the third part for a few years. One can obviously debate about ratios.

[FIGYELO] Should the settlement system be changed in one step, or gradually? Which solution do you favor?

[Medgyessy] I advocate a single step transition. A solution in which part of the trade would continue on the basis of commitments made by the state, while another part is transacted on the basis of agreements reached between enterprises would be a constant source of bargaining and of returning to the previous situation. In addition, a mixed system would be unmanageable also from the partner's point of view. There will be of course a few structures, such as bilateral, long term investment agreements between Hungary and the Soviet Union, capped with investment contributions. It will not be possible to automatically apply the concept of dollar-based settlements to these.

[FIGYELO] There are different assessments about the competitiveness of Hungarian enterprises. According to some, the transition to dollar-based settlement will harden the Soviet market to an extent that a large number of Hungarian firms will be squeezed out of that market. Others—this can be seen in statements of quite a few machine-industry enterprises—will be able to manage competition.

[Medgyessy] Doubtless, we may count on more stiff competition than before, because the Soviet economy is not one of the most developed economies, and is not even able to adapt to state of the art technology in every respect. At a medium level of development however, Hungarian enterprises are competitive, are knowledgeable about the market and have a service network. It is no coincidence that when foreign investors establish joint enterprises in hopes of reaching the third market, they are aware also of this background. There may be of course segments of the Soviet market which include the most highly developed firms, and where it would be necessary to compete. In such cases Hungarian enterprises could either compete or they could not. This kind of challenge is needed to encourage Hungarian enterprises to adapt and to keep in step.

The transitional difficulties could be ameliorated also through state action. We are thinking of establishing a fund from amounts paid to the state, from which we could loan money to assist changing the product structure in enterprises affected by the transition. In other words, in a framework which would at least reduce the threat of evolving bargaining which is customary in such instances. Equally, one cannot rule out that international financial organizations, such as the World Bank would lend us money to finance the transition. After all, the

change in the financial settlement system serves purposes that are fundamentally of a structural nature. We will authorize the Hungarian delegation to conduct negotiations in this regard with international financial organizations.

[FIGYELO] A changeover to convertible currency settlement may also affect our capitalist exports. The exportation of certain processed product made of Soviet base materials—or for that matter, unprocessed Soviet base materials—may be reduced as a result of the discontinuation of the ruble/dollar conversion.

[Medgyessy] This cannot be ruled out. Quite naturally, as you made reference to this in your question already, a comparative advantage emerged as a result of the ruble/dollar conversion mainly in the context of products with low levels of processing. From a structural standpoint, however, it would be clearly desirable to reduce the exportation of such products. Although it should also be said that in contrast to the 1960's, the characteristic pattern of today does not involve ruble/dollar conversion relative to low level processed goods. Competitiveness must be based on the Hungarian added value. We would rather accept a temporary decline in exports than to permit such advantages to provide an opportunity for enterprises to avoid the coercive force of market competition.

POLAND

IMF Aid Conditions, Changing CEMA Relationships Discussed

90EP0081A Warsaw *RZECZPOSPOLITA* in Polish
19 Sep 89 pp 1-2

[Interview with Andrzej Wieczorkiewicz, Chair, Sejm Commission on Foreign Trade and Maritime Economy, by Tomasz Bartosiewicz: "The Key to the Economy: The Adjustment Program"; date and place not given]

[Text] [RZECZPOSPOLITA] Mr Chairman, there is not the least doubt that the success of our economic plans and aspirations will hinge greatly on the development of foreign cooperation. The social cost of overcoming the crisis is after all largely a function of the emergency economic aid and of the terms for servicing the foreign debt.

[Wieczorkiewicz] Not only that. Above all, consider the well-known but reluctantly acknowledged truism that the growth rate of GNP depends on the growth rate of exports and imports. Moreover, the modernization and restructuring of the economy will depend on the influx of credit and know-how—modern techniques of administration, management, etc. If cooperation is to develop on the needed scale, a radical energizing and close coordination of foreign economic relations is necessary.

[RZECZPOSPOLITA] But Poland's foreign debt is a truly great problem.

[Wieczorkiewicz] Indeed, it, like a mortgage, is a burden on the present and future generations of Poles. Its great size necessitates a coherent and realistic strategy. We cannot afford continued amateurishness and life from hand to mouth, because in the years past this approach resulted in continued growth of the debt despite our payments of billions of dollars and in a low level of the country's credibility such as to prevent obtaining new loans.

[RZECZPOSPOLITA] The key to resolving this issue is to be an agreement with the International Monetary Fund on an adjustment program.

[Wieczorkiewicz] Everyone agrees on this. But I fear that our vision of that agreement is incomplete. In my opinion, the adjustment program for the Polish economy should be 3 years long at a minimum.

[RZECZPOSPOLITA] But never before has an IMF adjustment program been so lengthy.

[Wieczorkiewicz] But never before either has a sociopolitical and economic system changed on the scale now occurring in Poland. I believe that we shall succeed in convincing IMF experts that our crisis is of structural origin and cannot be permanently resolved by means of a series of rapid, emergency measures, because that, in my opinion, would not be accepted by the society. In this context, let me recall that at the roundtable we agreed that at least a minimal growth in consumption would be assured during the period of implementation of the adjustment program.

[RZECZPOSPOLITA] Let us assume that this argument will be accepted, although I doubt greatly whether IMF officials will be inclined to create precedents which could be later utilized by others. But the influx of standby credit itself will not solve the problem of our huge debt-servicing burden.

[Wieczorkiewicz] I believe that the adjustment program should be accompanied by a total moratorium on debt servicing so far as creditors from the Club of Paris and the USSR are concerned, and by a radical reduction in payments to commercial banks.

[RZECZPOSPOLITA] Is it realistic?

[Wieczorkiewicz] In the light of the declarations made by the participants in the Paris Summit and the comments of the foreign personages visiting Poland, this postulate seems realistic. Our creditors are perfectly aware that, if they desire ever to get back the money due them, they must provide the Polish economy with the "breathing room" it needs.

[RZECZPOSPOLITA] But postponement of debt payments is tantamount to that increase in the overall amount of the debt, burdening future generations, about which you are so critical.

[Wieczorkiewicz] That also is why actions to minimize debt servicing should be accompanied by so-called financial engineering with its rich arsenal of means such as: debt redemption at reduced market prices, exchange of debt for capital shares, new-issue bonds, etc. The formation of a fund for reducing Polish indebtedness, to which the governments, parliaments, private companies, and even private persons well-intentioned toward us could make contributions in the form of annulments of parts of our obligations, also is conceivable.

[RZECZPOSPOLITA] But improvements in the financial situation in themselves will not resolve all the problems. So far we have failed to exploit the distinctive geopolitical advantages ensuing from our location in Central Europe.

[Wieczorkiewicz] Of a certainty one of the most important purposes of the Polish trade policy should be providing our exporters with conditions of free access to foreign markets, reducing the customs barriers, curtailing the scope and burden of noncustoms restrictions, etc. To this end the updated economic agreement with the EEC should be energetically applied and ties with that Community should be strengthened. The Commission for Foreign Economic Relations and the Maritime Economy has already presented its opinion on this matter to the government.

I personally believe that the growth of our relations with the EEC could be accomplished by means of an agreement assuring Poland of customs preferences within the framework of the GSP. Contacts with another important grouping in West Europe, namely, the EFTA, should also be explored, and the protocol of Poland's joining in the GATT should be urgently renegotiated, since in its present wording it does not assure our country of favorable conditions for participating in international trade relations.

[RZECZPOSPOLITA] Trade relations with our CEMA partners will probably also have to be significantly changed.

[Wieczorkiewicz] Most assuredly. But that is a very broad subject which I would rather not touch upon at present. I would like, however, to indicate that this country has a chance of becoming a kind of mediator between the market economy of the West and the nonmarket system of the Soviet Union and other socialist countries.

[RZECZPOSPOLITA] Very well, but we shall not accomplish all this merely through our trade policy, which only provides opportunities for our economic entities.

[Wieczorkiewicz] Of course, radical institutional solutions are needed. Premier T. Mazowiecki has announced that his government intends to pursue an active currency policy by unifying the currency rates of exchange, which will decide the level and structure of foreign trade. In the

presence of a proper rate of exchange no special preferences for exporters are needed. A correct macroeconomic policy and equal treatment of all economic entities will suffice.

Until complete convertibility of the zloty is introduced, the minister of foreign economic cooperation should, in my opinion, be granted the power to markedly influence decisions on currency rates of exchange, e.g., a veto power. The point is that the policy in this respect should genuinely promote exports.

[RZECZPOSPOLITA] The policy toward foreign capital is eliciting many doubts. Often the opinion is encountered that a basic strategic vision of the role of foreign investors in our economy is lacking.

[Wieczorkiewicz] I agree with this opinion. The Agency for Foreign Investments has a poorly defined purpose and is poorly equipped. There is, in particular, a shortage of explicit operating procedures in cases of "undetermined ownership," as well as of explicit rules for appraising the value of enterprises, since it is not tantamount to the value of their assets alone.

As in the case of foreign indebtedness, the strategy for handling foreign investors should have Sejm acceptance. This is supported by such considerations as social sensitivity to foreign participation in economic activities, to foreign acquisition of domestic assets, and also by certain negative economic and social consequences of inadequately planned presence of foreign capital.

[RZECZPOSPOLITA] The experience of other countries indicates that in situations similar to the Polish it is expedient to establish a powerful agency for coordinating the related activities. One known example is South Korea, where for 14 years such coordination was exercised by the president and weekly coordination meetings were canceled only during his illness or foreign travels.

Many debtor countries have established the positions of main financial negotiators reporting directly to the head of state or government. In the Polish situation the establishment of a coordinating agency is particularly important, for nowadays we face a number of provisional and longrange tasks that demand broad vision and coordinated action. The importance of the coordinator should be high—his declarations and decisions must be viewed by foreign partners as credible and consistent. I hope that this office will be exercised by the eminent expert on international economic relations Minister Professor Witold Trzeciakowski.

Marketization of Prices Discussed

90EP0071B Warsaw GAZETA BANKOWA in Polish
No 35, 28 Aug-3 Sep 89 p 3

[Interview with Professor Andrzej Sopocko, University of Warsaw, Chair of Organizational Theory, by Krystyna Milewska: "Let It Happen..."; date and place not given]

[Text] [GAZETA BANKOWA] For years you have been professionally dealing with prices. What do you think of the marketization decision?

[Sopocko] The previous situation was untenable, but still that decision means proceeding from the assumption that once one says, "Let there be light," the light will be there. Marketization cannot mean price liberalization alone. The market means an alignment of forces in the economy that causes prices to become objective. The current drive is being criticized on the grounds that no preparations were made to demonopolize trade. Of course, this is a difficult process. It should have been prepared long before, because a demonopolization decree in itself is not yet actual demonopolization.

What happened, happened and I think that the principal cause of the current troubles is the lack of reserves. The prices of staple consumer goods behave specifically and capriciously. If a consumer does not buy a wardrobe or a television set, he will not be as upset as when he faces shortages of sugar, meat, or other staple foodstuffs, which panic him and prompt him to hoard anything and everything. If there is no meat, its prices may be totally abstract, especially in the absence of substitutes.

[GAZETA BANKOWA] I heard an opinion that when food prices rise and demand falls, the prices will stabilize.

[Sopocko] As regards food, in most cases price changes do not result in changing the demand. The science of economics is familiar with the Giffen Paradox, which was observed in 19th century Ireland, where potato prices soared owing to a bad harvest, but the potato supply did not increase.

[GAZETA BANKOWA] Meaning that at this moment laws of social psychology are getting superposed on laws of economics?

[Sopocko] Laws of economics always are laws of social psychology. There are no exceptions. It is an illusion to think that there exists some mechanism that can be programmed and used for simulation calculations. The state of the social mentality may be a decisive factor, which of course is extremely difficult to measure.

[GAZETA BANKOWA] What then is the forecast for the next few weeks?

[Sopocko] Prophesying is impossible. In economics there are situations in which forecasting in general is not feasible. It is extremely difficult to assess the condition of such factors as the public mentality or the behavior of producers-farmers. The countryside is bemoaning its situation so much that soon indeed everyone will believe that nothing is profitable to Polish farmers and that all food will have to be imported.

[GAZETA BANKOWA] I also heard the opinion that a deflationary policy would result in a too strong decline in manufacturing output. What do you think of it?

[Sopocko] Output is already falling. Given the current inflation a growth rate of 1 percent may have a built-in margin of error.

[GAZETA BANKOWA] Will the marketization provide an impetus for output?

[Sopocko] Peaceable work can provide an impetus to output. Chaos in the system results in hobbling output; any inflation hobbles output. I would prefer lower output with lower inflation to that collapse of output in the presence of hyperinflation which appears to be on the way.

Financial State of Health Care Discussed

90EP0071A Warsaw GAZETA BANKOWA in Polish
No 36, 4-10 Sep 89 p 7

[Article by Elzbieta Rumowska: "Noble Health"]

[Text] Life has shown that the traditional system for financing the health service exclusively from the state budget did not prove itself. It neither promotes rational management nor keeps pace with the needs. No one has ever been thrifty about budget funds. Everyone is a taker, and everyone is out for the most he can get.

That also is why applying economics to medicine has become a necessity. This means, of course, shifting part of the cost burden onto the shoulders of the society. But such an application means not only that patients should be assessed fees. As reformers of the health care system assume, every health service outlet should introduce cost-effective accounting. This should apply to every service and every treatment. Here what is concerned is not cutting but optimizing expenditures. This also is to promote the activation of new funding sources. This is the future of Polish medicine.

But for the time being everything is as of yore. The state budget has allocated the funds (for this year, 1.5 billion zlotys, US\$430 million, and 220 million rubles for the country as a whole), and the health centers received them and are spending them. And they are trying to spend the funds down to every penny, because it does not pay to save, since any surplus would have to be returned to the state budget. Thus there is no incentive for streamlining the utilization of resources and reckoning every zloty.

The traditional singleness of organizational solutions and funding sources [the state's] for the health service units have resulted in a situation in which cost-effective accounting will cause health service managers a great deal of trouble.

My interviews with the administrators of several Warsaw hospitals (and I feel that they represent the national trend) indicate that at present an accurate calculation of the actual cost of treatment is impossible. All that is known is the average outlays per hospitalized patient. There is no way of determining itemized cost breakdowns for every organizational element. No one previously has required a detailed costing. As a result, all

the figures in the reports are only averages, and thus they do not reflect accurately the performance of individual hospitals.

Consider for example the figures for the Central Clinical Hospital of the Medical Academy of Warsaw. They indicate that the daily per patient cost (this year 15,464 persons were hospitalized) is 17,000 zlotys and, in the administrator's opinion, this is much lower than the actual cost. This amount consists of such expenditures as salaries and personnel costs, all material costs, social security premiums, medicines and medical aids, and meals. But it does not include such expenditures as the sinking fund for buildings and medical equipment and the cost of specialized patient tests.

A breakdown of the 17,000-zloty figure reveals that the daily expenditures per hospitalized patient amount to 2,663 zlotys for medicines, 424 zlotys for meals, 5,015 zlotys for laundry, janitorial work, maintenance, repair, power, water, central heating, etc., as well as 8,970 zlotys for personnel.

This set of figures really says little; it does not answer a number of questions. For example, which of the (12) clinics used most bandagings and what was the actual demand for them? Also unknown is the actual consumption of medicines, and specifically which medicines, by the discrete clinics. Likewise unknown is the consumption of needles and disposable syringes. No one either has figured the cost of operations, treatment, and medical consultations provided. All this has been thrown pell-mell into a single barrel labeled "Expenditures" and averaged. As for the information on who needs what and how much really, that seems to be... not needed by anyone.

Here investment acquisitions also deserve scrutiny. It happens quite often that the hospital (and not it alone, besides) purchases two sets of the same medical apparatus for two neighboring clinics, but only in order to satisfy the ambitions of professors. That is, the ruling principle is: if he has it, I want to have it too. The cost is not considered. No one cares that the cost is too high for the apparatus to be utilized efficiently. No one seems to consider that a single set of apparatus can suffice for the two clinics, if rationally scheduled.

The introduction of a radical reform in the health service on the basis of complete cost effectiveness is inevitable. Everyone concerned seems to realize this. And everyone is for it. But what to begin with?

I believe that those interested in a general ordering of the health service will concur with several suggestions. First, the need for the ZOZ'es [Health Care Teams] should be reconsidered. Second, health service centers should be afforded the possibility of finding additional sources of funding (e.g., by charging the patients fees for certain services and medicines, billing sister centers for the services rendered to them, etc.). And third, should not health service centers be afforded a chance to form joint ventures with, e.g., producers of medical apparatus and

equipment (this may eliminate frequent purchases of apparatus with similar specifications for expensive foreign exchange).

But so long as the reform is being applied at a snail's pace the real cost of health will remain unknown.

Political Thought of Aleksander Hall Profiled

90EP0073A Warsaw *POLITYKA* in Polish
No 38, 23 Sep 89 p 3

[Article by Daniel Passent: "The Portfolio Carried by Aleksander Hall"]

[Text] When in the evening of 16 September the daily TV newscast transmitted from Gdansk the declaration of Minister Aleksander Hall concerning the 50th anniversary of 17 September [1939, Soviet invasion of Poland], most viewers hardly knew the name of the speaker and what sort of man he is. For the new government includes Aleksander Hall, a young, barely 36-year-old, minister without portfolio, who is to deal with political parties, a figure less public than many Solidarity activists. Outside the circles of the politically sophisticated opposition, Hall is not a widely known figure. That is why, when an acquaintance from the Young Poland Movement offered me recently a book by the founder of that movement, Hall himself, I read it with interest.

The book is titled "Polemiki i Refleksje. Wybor publicystyki politycznej z lat 1978-86" [Polemics and Reflections: A Selection of Political Writings from the Years 1978-86] (ed. Veritas, London). Noteworthy is the serious title, which seems to refer to the thoughts of a senior politician ordering his contributions rather than to iconoclastic articles by a young man in his thirties. Likewise, the style and tone of the book and the author's attitude toward himself are serious, solemn, deliberate, very grave, as if written by a meditative politician and the leader of a party who picks his words carefully. There are no jokes or digressions or allusions to, e.g., literature or broader culture and mores; it is pure politics. This is significant, because Hall models himself in many respects on Roman Dmowski, who had been a superb columnist, a connoisseur of belles lettres, and whose own writings (novels even) were colorful and suggestive. Hall's favorite hero is General de Gaulle, a pathetic [as published] and serious politician who fascinates him and to whom he devotes a separate article. This is not the place for discussing Hall's activities in the opposition, in Solidarity, in the Young Poland Movement, and in the underground periodical *POLITYKA POLSKA*, because that is a separate topic, so let us focus on the aforementioned book.

Generally speaking, Aleksander Hall's writings are intended to rehabilitate and continue the thought of the [former] National Democratic Party as adapted to present conditions, that is, purified of the elements which became compromised (nationalism, xenophobia, anti-Semitism, social Darwinism) and continuing to develop what fascinates the author about it: the great

importance attached to the concept of the nation and the Catholic Church but modified by an attempt to reconcile the national and religious community with respect for the individual, for his rights, freedoms, and duties, and also for parliamentary democracy—of which Roman Dmowski was no enthusiast: he used to say, "Democracy is Freemasonry," as he was rather impressed by the nationalist ecstasy in Italy and in Germany.

The Nation, the Church, the Civilization

"The world consists of nations," according to Hall, and he desires to preserve such a world. That is why, for example, he mistrusts the processes of supranational integration. The nation is an emotional and rational bond; it is a way for man to sink roots, it is an indispensable reference point for man: "My spiritual and intellectual development derives from utilizing the spiritual wealth of the nation." At the same time, the author takes care not to oppose the nation's interests to those of others, nor to lay the rights of the individuals on the altar of the nation. The nation is a community which fascinates Aleksander Hall; it is a word that recurs most often in his writings. Below are just some of his ideas from the thin (barely 151-page) book in which he formulates program assumptions: "...maximalism and an uncompromising stance in the struggle for the idea, for the spiritual sovereignty of the nation, and a persistent search for compromise on the political plane.... In order to constitute a genuine community, the nation must foster the values and kind of collective life to which it owes its identity. It must care for preserving its spiritual autonomy. In this respect there can be no compromise.... A program for national education of Poles must be pursued. We cannot renounce our civilizational bond with the West and objective knowledge about our national history.... we cannot renounce our national identity, which is so strongly bound up with Christianity and the Catholic Church. We also cannot renounce the right to sovereign statehood. Only on such a foundation can we build a Polish 'realpolitik'."

The Polish national community is largely based on the foundation of Catholic faith. "The church remains the pillar of the nation." The principal guarantee "that the national feelings of Poles, programs referring primarily to national values, will not get warped and degenerate into chauvinism...., the guarantee and model for combining national with universal values, is provided by the teachings of the Catholic Church and the extent of its influence in the Polish society." His model is Primate Wyszynski: "Open to the reforms of the Vatican Council and a champion of extending the Polish Catholic formation, he at the same time remained a consistent spokesman for a synthesis of religious and national values, a defender of the model of the Pole-Catholic."

The third, next to the nation and the church, motif in Hall's writings is the peril to European civilization. This is not a new idea. Authors and politicians who value highest in their thought the nation and faith, the national community, national energy and solidarity, and social

health, often express the conviction that modern civilization is imperiled, especially wherever a different system of values is binding. While many others who, e.g., focus their thinking on the individual, a class, or the society, are of the opinion that, for example, West Europe has recovered and provides an example, that its civilization victoriously survived the worst totalitarian perils of the era, nationalists view these matters differently. "At present," young Hall had written 10 years ago in *BRATNIAK*, "European civilization is being attacked in its very cradle—in the old Latin Europe. It contends with Red and, to a much smaller degree, Brown totalitarianism, with anarchism, and with the materialism and consumerism which are devouring rich societies. But it still retains great spiritual forces that can assure its survival. Here Hall remains faithful to Dmowski, who wrote, "In the eyes of the Protestant world nowadays God is giving way to the dollar. The superiority of the Catholic peoples is decided by the fact that Catholicism teaches better how to deal with money." Dmowski perceived in the Protestant West Europe "a rising pessimism, loss of faith in the future in the presence of millions of the unemployed and stagnation of entire industries. In contrast, consider how rapidly Catholic Italy is rising..." He was of the opinion that in Protestantism "there was some embryo toxin which has now become activated."

Hall claims that the manner in which West Europe is building its unity "generates certain apprehensions. There is the too striking domination of utilitarian considerations in building Europe. Ideas that can awaken societies and provide them with a new perspective are definitely taking a second place to ordinary, cold economic and political calculation.... Yet, ideas are necessary and cannot be replaced with technocratic pragmatism." Hall the nationalist politician and ideologue views with anxiety the unification tendencies, the exploration of supranational solutions, the substitution of national patriotisms, "termed nationalisms," with European patriotism (hence his regard for de Gaulle).

As can be seen, the author suggests that Europe is asleep in face of totalitarian, consumerist, and supranational perils. Its societies should be "awakened," and this can be done only by a coalition of nations conscious of their identities. "Nations form Europe. This behest of the [Polish] National Democrats is also very close to us. After all, we are undoubtedly experiencing a crisis of European civilization which is primarily a crisis of identity and of the will to defend it." Hall even speaks of the weakening of the "national instinct for self-preservation" in the West and cites Dmowski's reflections on the wellsprings of Polish pride and on what makes a Pole a Pole, "on our primordial ethnic soil," and on Catholicism, which is not an addendum to Polishness but inheres in its essence and even "largely accounts for its essence."

Disputes About the Present

The nation, the Catholic Church, the European civilization in the West and Russia in the East—such are the chief determinants of A. Hall's interests. Let us now consider how the author employs them with respect to certain political problems. In his polemics with Kuron (1978) he rejects, for example, the specter of "the totalitarianism of nationalists" as an eventual peril to Poland. As known, leftist (but anticommunist) and liberal thought does not preclude the possibility that the young Polish democracy is imperiled, that a modern rightist dictatorship may arise in Poland and will be accepted by a society tired of the chaos, and will be tolerated by the Catholic Church and Poland's neighbors. "It is highly disturbing," Hall writes, "that (Kuron) believes that the totalitarianism of nationalists is at present the main ideological adversary of the democratic opposition, because communism as an ideology does not exist in Poland.... Whom does Kuron believe to be those dangerous nationalists?" Such thinking is, in Hall's opinion, dangerous, because it ensues from it that "genuinely democratic" forces will have to engage a confrontation with the *Endeki* [National Democrats] in the opposition." More than 10 years ago Hall still had considered communism as extremely menacing. It would be interesting to know what does he view nowadays as the main ideological threat—is it, for example, the West's feebleness of national thought, somnolence, and consumerist tendencies, along with its secularization, or is it, e.g., leftist ideology. Observation of Hall's efforts on behalf of a revival of neo-*Endek* thought inevitably raises the question of what are the chances for the rebirth of that thought nowadays and why? Until quite recently the answer would have been unequivocally positive: the strengthening of national identity was to be indispensable to the recovery of national sovereignty. Now, however, that this sovereignty is growing day by day, national thought will have a new purpose: protecting the country and the society against the dangers creeping in from the West—materialism, secularization, internationalization of the state, the economy, the currency, and the educational system, in a word of everything and everyone, at the expense of national identity and energy.

In the polemics between Hall and Jacek Kuron and Adam Michnik the issue of Jews and anti-Semitism in *Endek* thought also is raised. Hall rejects decisively the idea that the *Endek* tradition facilitated the anti-Semitic witch-hunt of the national communists from the PZPR in March 1968. "The *Endek* program was anti-Semitic," Hall admits, but he immediately adds, "Its anti-Semitism had, however, a political, economic, and, lastly civilizational basis, not a racist one. *THE NATIONALISTS WERE NOT RACISTS* (my emphasis—A. H.)." And in another place he writes that the *Endek's* anti-Semitism "grew out of the Polish reality, in which the Jewish problem was no fantasy but a great and often tragic question." Hall perceives three fundamental causes of *Endek* anti-Semitism:

1. The Jews, accounting for 10 percent of the population, did not identify themselves with Polishness and, being chiefly concentrated in the cities, they impeded the advancement and proper development of the Polish population, and it was "a genuine danger" that Jews would become a majority in the free professions, while "in trade it was a reality."

2. The Jews were socialists and communists, and the Left was the main opposition of the National Democrats.

3. The Jews' sympathies were with the Central Powers, whereas Dmowski's sympathy was with Russia.

Roman Wapinski in his book on Dmowski similarly accounts for the genesis of his anti-Semitism. He is strict and objective at the same time; for example, he states rightly that not every discussion of the Jewish question is tantamount to anti-Semitism, but at the same time he demonstrates the scope of Dmowski's obsession, including the typical—of the rightists—identification of the Left with Jews and Freemasons [conspiring to] "disorganize Polishness."

Hall, on the other hand, shifts the emphasis, claiming "very strongly that Endek anti-Semitism has never looked for racist justifications, never referred to any theory of the superiority of Poles to Jews." In conclusion, Hall asserts that the anti-Semitism of the Endeks had been closely linked to the past era. "There is no Jewish problem in Poland, because there is no large Jewish minority in this country. Thus there is no substrate for genuine anti-Semitism. Its resurrection certainly is not in the Polish interest." These statements sound nowadays naive and idealistic, as demonstrated by the continuing debates about the Holocaust, the articles by J. Blonski in *TYGODNIK POWSZECHNY*, and most recently the conflict about the Carmelite Convent in Auschwitz.

Hall's reasoning elicits questions and doubts, beginning with the end—does the statement that anti-Semitism is not in the Polish interest at present signify that in the past, under other circumstances, anti-Semitism had been in the Polish interest?

Second, is his statement that there is no problem of anti-Semitism because there is no large Jewish minority meant to imply that a large Jewish presence provides justification for anti-Semitism, just as the large presence of any minority whatsoever generates feelings of enmity toward it and the sole solution is a religiously and nationally pure country and the minority should emigrate?

Third, if the anti-Semitism of the Endeks had been attributable to large numbers of Jews in Poland and their economic position and political ideology, does this mean that there were no other sources of that anti-Semitism? In the articles collected in the book considered here Hall generally refrains from considering the attitude of Catholicism to Jews and to Judaism, which is astonishing. This simply cannot be overlooked when writing

about the ideal Pole-Catholic. It appears that the issue has been deliberately left out.

I myself rather omit [discussing] questions of Catholicism, Judaism, Jews, and anti-Semitism, but of course I listen and read about them. Thus, for example, several hours ago I listened on Polish radio to an interview with a prominent Polish violinist who, when asked why he rarely gives concerts in the United States, answered that he prefers to play in the FRG because America is a very difficult market: the entire world tests its strength there and the American impresarios are Jewish, dominated by Jews who have their own good violinists and are obstructive, which is hardly surprising.... I do not know what to think of such a comment: is it without an ulterior motive or would prominent Polish musicians, from Paderewski to Penderecki, sense in it a false note? Does not this idea resemble the idea that Jews abroad dominate the mass media and make them subservient to themselves? Does not this resemble the prewar arguments, not only in Poland, that the banks, the universities, etc., should be cleansed of Jews? And does not it resemble the arguments of certain party ideologists in March 1968 who had justified the offensive of the Moczarists [named after Mieczyslaw Moczar, a national communist and the then minister of internal affairs] by the excessive number of Jews in the party? In a word there is no other way but to count the Jews in orchestras, banks, and newspaper staffs and then adjust their number properly. In the United States, for example, blacks are rather at the bottom of the social ladder; yet even so they are a tremendous problem to whites. Will the social advancement of the blacks enhance or reduce the sensation of threat felt by the white majority as well as by various other minorities? These questions are extremely difficult, subtle, and probably intractable, at any rate in journalism. Can this be written about quite gracefully and tactfully? Even in the quite justified and astute rebuttal by Adam Michnik (*GAZETA WYBORCZA*, 15 September) of the absurd and foolish comment of Prime Minister Shamir that supposedly Poles sucked in anti-Semitism with their mothers' milk, I found statements which made me wonder: "...the clumsy and tactless homily of the Primate of Poland Glemp at Jasna Gora." For this raises the question of whether certain views expressed in that homily could at all be formulated more gracefully and tactfully; could it be said more gracefully and tactfully that Jews dominate the mass media, or could they be divided into good Jews who made valuable contributions and bad innkeepers and communists? I feel that this is a false spoor which can in no way be pursued gracefully and tactfully.

In his description of the March [1968, anti-Semitic] campaign Hall states that it may be that certain Poles were somewhat gratified to watch the factional infighting in the party and saw no reason to deplore the fall of many luminaries of the system linked to the former "Pulawy" faction which consisted of many Stalinists. The society's indifference toward their fate "does not mean at all,

however, that in March 1968 Poles had granted anti-Semitic support to the program." But the point is that, first, racist, anti-Semitic arguments were utilized in that political infighting in the party and, second, that campaign produced much more widening ripples, spreading far beyond the party: thousands of Polish emigres could have a great deal to say on this subject.

Poland, Russia, the Soviet Union

Another major topic of Hall's writings is the attitude toward the Soviet Union. His statement on the TV newscast on 16 September, on the eve of the anniversary of the Soviet invasion of Poland, was no accident. Orientation toward Russia had been a highly important part of the tradition of the National Democrats, and as such it remains in Hall's writings. He refers to the "reasonable agreement" with Russia advocated by Dmowski. The author characterizes as follows the traditional, independence-minded, anti-Russian thinking of the KPN [Confederation for an Independent Poland], the ROPCiO [Defense Movement for Human and Civic Rights], and others:

1. The cause of our misfortunes, and primarily of the lack of national independence, is Russia (the USSR).
2. No compromise with the Soviet system is possible.
3. The USSR is the world's last colonial empire and, like the ancient empires, it is doomed to collapse.
4. Our struggle for independence is linked to the struggle of the non-Russian peoples of the USSR.
5. Our aim shall be fully accomplished when the empire crashes and lies in ruins.

In Hall's opinion, the above reasoning displays two flaws:

"—It condemns us to a permanent antagonism with Russia, and with any and every Russia at that, precluding any agreement with it whatsoever;

"—It makes the possibility of our national independence contingent on a fundamental redrawing of the political map of Central and East Europe."

"The Polish society," in Hall's opinion, "is well-prepared to protect itself against Russification and Sovietization, but it is not well-prepared to engage in the political game with Russia—in political rather than only emotional thinking about Russia. It is not prepared to create positive facts in Russo-Polish relations, not even when the circumstances are favorable." Such circumstances are now present, let us add, and Hall is proposing such a program. However, discussing that program would exceed the scope of the present article. Hall is offering a program because in his opinion the absence of a program, the underdevelopment of political thought, is one of the weaknesses of the Polish opposition, of which Hall himself has been an active member.

As for attitude toward the USSR, the course of events proved to be faster than everyone, including Hall, had assumed. He had believed that so long as the Yalta order persists in Europe, the maintenance of communist rule in Poland will be a priority to the USSR. "There can be no illusions on this issue. The only leadership in Poland that is acceptable to the USSR is the communist leadership. There is not and cannot be any other leadership cooperating with it, even if it were most prone to consider Soviet interests," he wrote in 1983, whereas nowadays he himself is a member of such an "impossible" leadership.

Minister Hall's appeal last Saturday (16 September) for a serious course of the commemorations and demonstrations relating to 17 September was intended to promote both a dignified commemoration of that anniversary and avoidance of harm to relations with the USSR, where favorable processes are taking place. In his brochure "Vis a Vis Russia" (1981) Hall wrote of "the need to acknowledge the permanence of the Polish eastern boundary and renounce the political concepts presupposing an active participation of Poland in the dismemberment of the USSR," while 2 years later he warned, "No Russia will get reconciled with a Poland which becomes involved in its disintegration.... Either we shall attempt to achieve a Polish-Russian agreement based on the permanence of our present eastern frontier and of Russia as a world power or we shall resign in advance such attempts and make the issue of our national independence contingent on the collapse of Russia or at any rate on a deep weakening of its position."

A Word About Solidarity

The last, and highly interesting, topic of Hall's writings that I would like merely to point out is his assessment of the mistakes of Solidarity and the causes of the imposition of martial law. Being himself an active member of Solidarity, Hall does not permit himself the luxury of complacency and glorification of that movement. While he resolutely supports the basic aims of Solidarity, Hall perceives its mistakes to be among the causes of the imposition of martial law. The absence of a program of action, the absence of self-reflection, action "that pre-empted thinking," "excessive self-confidence and underestimation of the adversary," and the incompletely thought-out attitude toward the USSR are just some of the mistakes of Solidarity to which Hall points. As early as in April 1982, in his polemics with Jacek Kuron, he wrote, "There is really nothing that warrants the assumption that the USSR in 1982 can accept the removal of the communist party from the exercise of political power in Poland."

In the fall of 1982, in the first issue of the illegal POLITYKA POLSKA, Hall enumerated the principal errors committed by Solidarity between August 1980 and December 1981: the striving for too hasty changes and the chaotic measure of the related activities; the premature campaign on behalf of democratic elections; the expulsion of the party from workplaces in the fall of

1981; the support for an independent trade union movement within the militia; the acceptance of any and every challenge thrown by the authorities and reacting to it in the form of strikes; strike frivolity, and wishful thinking about Soviet policy ("Since the Soviets have not invaded so far, they will not invade at all," "Poles are not Czechs," etc.). Lech Walesa, a symbol and an authentic leader to whom Hall makes numerous admiring references, "while sensing the growing radicalization of the masses in the late fall of 1981, could not oppose the current and lost vigilance." Solidarity also was the culprit in becoming too self-assured: "It believed too readily in its own strength."

The attentive reader will notice that all these critical comments had been formulated even earlier, in 1981, by, among others, the official press, including also the press which had supported the changes but feared for their fate. Unfortunately, that press lacked the credibility, the authority, the influence for its voice to be heard and taken into consideration. As for those who had the authority, they too often lost either their reason or the courage to tell the truth, and thus restraints were absent both within and outside Solidarity.

Hall's publicistic writings deserve a much more penetrating analysis, which space does not permit here. They

display a striking lucidity and intelligibility, and they reflect the strength of the author's convictions, even if these are at times dubious or even sound objectionable. We shall have more than one occasion to revert to them, especially now that their author is a minister of state and among the few ministers of state who are authentic politicians of the rising generation.

Several weeks ago, after I had publicly discussed the feuilletons written by Stefan Kisielewski, the indefatigable unmasker and GAZETA WYBORCZA reporter A. J. Wiczorkowski reproached me for my (of course deliberate) failure to mention that Kisielewski is an... anticommunist. Having learned my lesson, let me make haste and announce that Minister Hall is a passionate anticommunist and a Solidarity veteran, but this does not exhaust the subject matter of his writings. His articles and brochures contain more original and interesting thoughts to which they owe their superiority to ordinary rightist rhetorics. Hall is of a certainty a child of his times—of the compulsory class-oriented education relegating nationalist thought to the shadow, of the secular indoctrination against the metaphysical element, of the class struggle in lieu of solidarity, of internationalism in lieu of patriotism, etc. It is not difficult to guess on what soil did Aleksander Hall's writings sprout.

CZECHOSLOVAKIA

Results of Research on Young Generation Discussed

24000182 Prague SVOBODNE SLOVO in Czech
2 Sep 89 p 4

[Article by I. Knezinkova: "What Is the Young Generation Really Like?," describing research by Drs Peter Sak, Ales Kabatek, and Jaroslav Hudecek, philosophers and sociologists from the Czech Academy of Sciences; first paragraph is a lead-in]

[Text] We often hear older people lament that today's youth have no respect for anything, have no desire to work properly, take no interest in anything, want only to have fun, and so on. Is that true? Can we condemn them indiscriminately this way? Let us take a look at the results of research that our reporters had the opportunity to familiarize themselves with during a conference with workers from the Youth Research Department of the Czechoslovak Academy of Sciences Committee on Philosophy and Sociology, Dr Peter Sak, Candidate of Sciences, director; Dr Ales Kabatek, Candidate of Sciences; and Dr Jaroslav Hudecek. The conference was organized by the Editors' Culture and Education Club of the Central Committee of the Czech Journalists' Union.

Since 1981, when this department was formed, it has been researching a number of topics concerning the life and attitudes of young people. It is concerned primarily with their status and role in society and societal processes. Further questions arise out of this general topic, for example, how to form young people into subjects in society, their participation in the functioning of society, how to utilize young people's intellectual and innovative potential, their start in life, the young family, the significance of the shadow economy for the formation of the younger generation and its activities, the intergenerational aspects of societal processes, etc.

What does the new research show? Supported by a socialist class standpoint, generational analysis plays an unimpeachable role. This question extends even into the governing structures of society. Workers in the youth research department analyzed the inclusion of young people in administrative and management roles and found that during the period 1945-71 the percentage of them dropped steadily, along with the participation of young people in the governance of society. This percentage has been stagnating since 1978. Only in recent times has a discernible shift taken place, on the basis of the conclusions of plenary meetings of the Central Committee of the Czechoslovak Communist Party.

As early as two years ago, the researchers from this department pointed out that a clear barrier to the reconstruction of economic mechanisms is the composition of governing structures with respect to age and generation. It is not by chance that, when elections are held for the managers of state enterprises, it has almost become a rule that the youngest candidate is elected.

Every person is a creature of the socioeconomic conditions prevailing over the course of his life and work; for our older generation, that was a period when the process of production, distribution and consumption was conceived in extensive terms. It is comprehensible that it begins to act and think according to the new model only with difficulty.

Two research projects that were carried out on two groups of people explore this. The first encompassed 2500 young people from all over the CSSR; the second, 5500 citizens from all age categories. Attention was directed primarily at their goals in life. The desire to live undisturbed, not to have problems, was revealed in only a very small percent of the young people. Conversely, nearly half of those questioned over 50 years old answered that their main goal in life was to live undisturbed and not to have problems.

To the extent that society wants young people to participate in social and economic development, it must afford them the opportunity to participate in the conceptual phase of social and political activity. Research has confirmed that young people, for the most part, do not get that chance. Mechanisms must be created within society to make it possible for young people, unencumbered by the stereotype of past developments, to enter the life of society.

The research also explored the topic of the innovative potential of the younger generation: whether it has any at all, what it is directed at, and how it makes use of it. The answers obtained bespeak its existence, notwithstanding all the difficulties and obstructions that young people must overcome in order to apply it. Despite its systematic suppression in them (even in school, the creativity of children is suppressed), they express new opinions, devise technical innovations, facilitate them, etc.

And in what direction is that potential directed? The researchers expected that it would primarily be in the sphere of work. It turned out, however, that work only occupies third place. Young people use new ideas, thoughts, and activities primarily in their hobbies and interests. Second place is taken by the shadow economy, but in a broad sense. This means, for example, that young people do odd jobs, but also that college students make things for their household, things that are not available on the market.

It is sad that only twenty percent of young people permanently use their education, creativity, and skill in their jobs. This is a great loss for society; whatever was invested in the college student during the process of education is applied elsewhere, understandably with a low level of effectiveness and frequently dilettantish results.

The young person who is trying to be active in his profession encounters, as a rule, the colossal barriers of the administrative bureaucratic system. When he arrives with a new idea, his superior sees in it complications rather than a boon. Some young inventors, scientists,

and the like, persevere, break through, and make it into the governing structure, where they can make their ideas and plans a reality. However, the majority give up, and direct their activities toward the shadow economy.

Young people also enter the other economy because their standard of living and material conditions are unsatisfactory. The wages of the young continue at a low level, and do not afford the majority the ability to assure their family the living standard considered normal by the younger generation at the present time.

Research confirms that many of them are dependent on financial assistance from their parents and on earnings obtained precisely from the other economy. When they see what the groups that have joined it can and do achieve, it is no wonder that they join it as well. Still, 60 percent of the young people questioned condemned black-market dealing in foreign currency. But the opinion a young person may form when he compares his pay for honest work with the "earnings" of a black-market dealer is as clear as day.

And what is the attitude of young people toward work? The research shows that a quarter of young workers have a low level of inclination toward it. Most of those questioned between the ages of 16 to 30 grant, however, that they are capable of better performance if specific conditions would change. To be sure, they demand appropriate use of their qualifications, better financial evaluations, the opportunity for advancement, and that the people running their place of business pay attention to their opinions and problems. Frequently voiced was the demand for applying stricter measures to those who produce poor quality work.

From the viewpoint of the middle-aged and older generation, it looks like the young have lost illusions and perspective. However, research says that even today's young people have them, but that they are a little different than those professed, say, by the young generation in the 50's. Modern young people have begun to privatize, which is a result, among other things, of frequent experiences of reality in work and life, experiences that were at odds with the propaganda. The research likewise included the question of how young people look at the older generation (this research was

carried out before the restructuring). The supposition was that they condemned it, that they would be self-centered, as has always happened in confrontations of young versus old. The answers sounded surprising in the sense of criticism of their own generation, its consumer orientation, the lack of ideals and of desire and readiness for self-commitment to societal goals.

With regard to the older generation, on the other hand, they judged it as having equated itself, in its own youth, with societal ideals, and as having committed itself to them. They complained that their situation was harder, that they often encountered hypocrisy, half-truths, that they hear something different at home from what they heard at school. Thus, in their own way, the young have become withdrawn. They do not shrink from moral values, but view them in their own way. The chances of rectifying this lie in a complex restructuring of social relationships.

The results of the research conducted by the Committee on Philosophy and Sociology of the Czechoslovak Academy of Sciences have cast a different light on today's young people than the simplified assessments of some members of the older generation. It is obvious that among young people there are believers in "binges" [quotes in original], drinking alcoholic beverages, watching videos and television, etc. (one third of those questioned fell into this category), but even among them the question of where the roots of these preferences lie would have to be asked.

Today's young people can give the impression of being self-centered and unruly, but there is nothing to envy them in their reality. They look hard at their road, assert themselves, and use their talents.

Concrete guidance that would respond to this research would help them, and recommendations about social praxis are also a part of it. These have indeed been used to date, for example in preparing the Fourth Conference of the Union of Socialist Youth, but to a limited extent. This depends on the extent to which those in charge of societal processes educate themselves, so that they do not turn their eyes from the results of this research. They must open wide the doors so that they can assist restructuring to come to life effectively.